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SGX-ST Release

## Responses to Substantial and Relevant Questions

The Board of Directors (**Board**) of Global Investments Limited (**GIL** or **Company**) would like to thank all shareholders and Securities Investors Association (Singapore) (**SIAS**) who submitted questions in advance of the 2020 annual general meeting (**AGM**) to be held by electronic means on 19 June 2020 at 4.00 p.m.

Please refer to our responses below.

	Questions	Answers																					
1.	As the market is very uncertain, what is your investment plan and portfolio weightage for the next 3 to 6 months?	<p>In view of the uncertain market, GIL will continue to take a cautious stance in rebalancing its portfolio of assets and adopt a selective approach in its investments. GIL will maintain its investment policy to make investments in a portfolio of assets in different sectors. The weightage* as at 31 December 2019 and 31 May 2020 are as follows:</p> <table border="1" data-bbox="683 1086 1418 1668"> <thead> <tr> <th data-bbox="683 1086 1002 1153">Investments</th> <th data-bbox="1002 1086 1209 1153">As at 31 Dec 2019</th> <th data-bbox="1209 1086 1418 1153">As at 31 May 2020</th> </tr> </thead> <tbody> <tr> <td data-bbox="683 1153 1002 1220">Listed Equities</td> <td data-bbox="1002 1153 1209 1220">13.4%</td> <td data-bbox="1209 1153 1418 1220">11.2%</td> </tr> <tr> <td data-bbox="683 1220 1002 1321">Loan Portfolio and Securitisation Assets</td> <td data-bbox="1002 1220 1209 1321">4.8%</td> <td data-bbox="1209 1220 1418 1321">3.4%</td> </tr> <tr> <td data-bbox="683 1321 1002 1422">Bank Contingent Convertibles</td> <td data-bbox="1002 1321 1209 1422">43.4%</td> <td data-bbox="1209 1321 1418 1422">57.4%</td> </tr> <tr> <td data-bbox="683 1422 1002 1523">China Domestic Bonds</td> <td data-bbox="1002 1422 1209 1523">12.2%</td> <td data-bbox="1209 1422 1418 1523">10.8%</td> </tr> <tr> <td data-bbox="683 1523 1002 1601">Other Bonds</td> <td data-bbox="1002 1523 1209 1601">13.0%</td> <td data-bbox="1209 1523 1418 1601">12.1%</td> </tr> <tr> <td data-bbox="683 1601 1002 1668">Cash and other Assets</td> <td data-bbox="1002 1601 1209 1668">13.2%</td> <td data-bbox="1209 1601 1418 1668">5.1%</td> </tr> </tbody> </table> <p data-bbox="683 1697 1310 1736">*Percentage of the Company's Net Asset Value.</p>	Investments	As at 31 Dec 2019	As at 31 May 2020	Listed Equities	13.4%	11.2%	Loan Portfolio and Securitisation Assets	4.8%	3.4%	Bank Contingent Convertibles	43.4%	57.4%	China Domestic Bonds	12.2%	10.8%	Other Bonds	13.0%	12.1%	Cash and other Assets	13.2%	5.1%
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2.	<p>What are the growth plans for GIL? Price seemed stagnant below \$0.20.</p>	<p>We will continue to actively manage the portfolio and our strategy had delivered consistent performance as shown in the chart below:</p>  <p><b>Cumulative Performance</b> (Starting from 2010)</p> <p>The chart displays the performance of three investment metrics from December 31, 2009, to March 31, 2020. The Y-axis represents cumulative percentage return, ranging from 50.0 to 230.0. The X-axis shows quarterly intervals. The green line represents the Cumulative NAV return (Dec 09 = 100.0), which shows a consistent upward trend, reaching approximately 200% by March 2020. The blue line represents the GIL share price (total return), and the red line represents the STI total return. Both the share price and STI return show more volatility, with a notable dip in early 2020 before recovering to around 150% by the end of the period.</p>
3.	<p>For the future, will dividend policy remain unchanged?</p>	<p>GIL's dividend policy is to pay out most of the profit after taking into consideration its requirements for future growth. The Board may consider paying out of retained earnings if the current year profit is insufficient.</p>
4.	<p>a) How many times does Board and risk committee discuss the potential risk from COVID-19 between Dec 2019 - Feb 2020?</p> <p>b) Did Board and risk committee decide to hedge and de-risk a portion of the portfolio against potential risk from Covid-19 outbreak?</p> <p>c) Would the Board members consider to take a voluntary reduction in directors' fees for FY2020?</p> <p>d) Page 104 Investment disclosures provide top 10 bond issue exposures which is not meaningful. Could the Board or management replace with Top 10/15/20 issuer exposures in next year AR which is more meaningful.</p> <p>e) China domestic bonds - What is % of portfolios coming from top 14 largest Chinese companies?</p>	<p>a) The Audit and Risk Management Committee had several informal discussions on potential risk of COVID-19. Issues relating to COVID-19 were also discussed in 3 formal Board meetings.</p> <p>b) We have de-risked the portfolio by holding less listed equities. As at 31 May 2020, our holdings in listed equities amount to only 11.2% of the total NAV.</p> <p>c) The Board may consider depending on the performance of the Company.</p> <p>d) The disclosures on page 104 of the Annual Report 2019 are in accordance with SGX Listing Rule 748(3).</p> <p>e) We ranked top Chinese companies by their annual revenue. These Chinese companies are listed in China, Hong Kong or the United States. The 14th ranked company's annual revenue is then used as a comparison.</p>

	<p>f) Mr Tan Kok Wee is leaving. Would there be replacement of ID as similar area of expertise?</p>	<p>As at 31 May 2020, approximately half of the China domestic bonds portfolio value has annual revenue higher than that of the 14th largest listed Chinese company.</p> <p>Further we would like to add that since we invested in Chinese domestic bonds till now, we have not experienced any defaults nor have to sell any Chinese bond at a loss.</p> <p>f) The Board had shortlisted the Independent Director candidate and will make the announcement in due course.</p>
5.	<p>There are hardly any borrowings by the Group. Interest rate environment is also at an all-time low. Any reasons? No opportunities or are restricted by terms of the funds.</p>	<p>The Company regularly assesses the global macroeconomics and market developments to determine the appropriate asset allocation for the time period ahead. While the Company had assessed some private equity investments which would require borrowings, the Company had not embarked on them due to unfavourable valuations versus the financing cost. As the market has been volatile in recent years, the Company has been more conservative in its asset allocation.</p>
<b>Answers to SIAS's Questions</b>		
6.	<p>Has the board evaluated the performance of the manager?</p>	<p>The Board receives monthly management report on the performance of the Fund from the Manager. The independent directors have formal discussion with the Manager on the Fund performance on a quarterly basis and does an overall review of performance of the Manager on a yearly basis.</p> <p>The independent directors are satisfied with the Manager's performance based on the performance of the relevant market performance of the asset classes of the Fund.</p>
7.	<p>Going into 2020, how has the manager adjusted its capital allocation, if any? What was the performance of the fund during the volatile months of March/April 2020? Has the manager made further adjustments to its allocation given the pandemic?</p>	<p>Please see the answer for Question 1 above for asset allocation as at 31 May 2020.</p>

8. What is the oversight by the board on the company's share buyback? In particular, did the board deliberate on and approve the company's share buyback and monitored the compliance of the company's share buyback?

The independent directors oversee the compliance of the company share buyback conducted by the Manager with the Share Buyback Mandate approved by shareholders at the AGM and the relevant SGX requirements. The Manager updates the independent directors daily of the purchases and at every board meeting.

The independent directors are satisfied that the current controls and safeguards are sufficient.

#### Summary of Share Buyback Exercise

	Treasury Shares	Weighted Average Daily Purchase Cost <sup>1</sup>	Average Daily Purchased Volume	Average Daily SGX Volume	Participation Rate
<b>Buyback Period till 2019 AGM</b> (52 days from 8 January 2019 - 24 April 2019)	36,423,800	\$91,037.92	700,548	1,056,696	66.3%
<b>Buyback Period from 2019 AGM</b> (211 days from 25 April 2019 – 16 June 2020) <sup>2</sup>	141,892,500	\$90,038.90	672,476	1,067,570	63.0%
<b>Treasury shares utilised for scrip dividend</b>	(71,145,206)	N.A.	N.A.	N.A.	N.A.
<b>Total</b>	107,171,094	\$90,236.42	678,009	1,065,420	63.6%

<sup>1</sup> Net Purchase price includes all transaction costs

<sup>2</sup> Maximum number of treasury shares authorised for purchase is 168,741,864

Historically, the Company received an average scrip dividend subscription rate of about 62% as shown in the table below. As such, the Company will continue with the share buyback programme so as to have sufficient treasury shares to be utilised as scrip dividend.

#### Historical Scrip Subscription Rate

Year Declared	Dividend per share	Ex-dividend date	Subscription rate
Final 2012	SGD 0.0075	25/2/2013	64.18%
2013	SGD 0.0150	25/2/2014	65.66%
Interim 2014	SGD 0.0075	25/8/2014	70.54%
Final 2014	SGD 0.0075	3/3/2015	73.23%
Interim 2015	SGD 0.0075	24/8/2015	68.82%
Final 2015	SGD 0.0075	9/3/2016	58.80%
Interim 2016	SGD 0.0075	22/8/2016	64.30%
Final 2016	SGD 0.0075	7/3/2017	66.23%
Interim 2017	SGD 0.0065	25/8/2017	61.19%
Final 2017	SGD 0.0060	6/3/2018	63.05%
Interim 2018	SGD 0.0050	24/8/2018	42.22%
Final 2018	SGD 0.0050	2/5/2019	53.56%
Interim 2019	SGD 0.0050	23/8/2019	57.87%
Final 2019	SGD 0.0050	24/6/2020	

The average subscription rate is about 62.28%

9. How does the company carry out its share buy-back? In particular, how does the company ensure that shares are not bought back at more than 105% of the average closing market price of the security over the last 5 consecutive active trading days?

The Company carries out its share buy-back by way of market acquisition. The Company ensure that shares are not bought at more than 105% of the average closing market price over the last 5 consecutive active trading days.

## **Presentation slides at the AGM**

A copy of 2020 AGM Presentation Slides is set out in Appendix 1.

The 2020 AGM Presentation Slides can also be found on GIL website:  
<https://globalinvestmentslimited.com/>

By order of the Board  
Boon Swan Foo  
Chairman

18 June 2020

## **About Global Investments Limited**

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