

**SURVEY OF SINGAPORE’S INVESTMENT ABROAD
- DIRECT INVESTMENT IN OVERSEAS AFFILIATES**

EXPLANATORY NOTES

SECTIONS TO BE COMPLETED

Section A: Direct Investment in Overseas Associates, Subsidiaries

- a. Overseas Associates and Subsidiaries (non-resident) in which your company owned AT LEAST 10%, either directly or indirectly, of the total share capital as at end reference year.
- b. Joint ventures incorporated outside Singapore

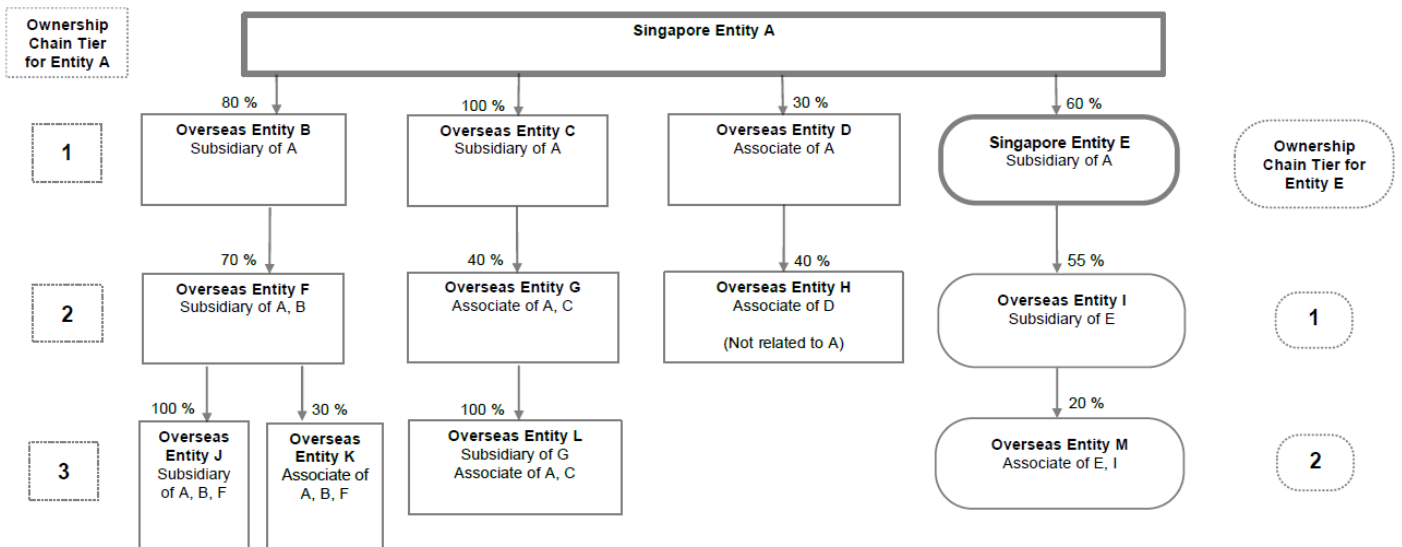
Section B: Direct Investment in Overseas Branches

- a. Overseas (non-resident) branches,
- b. Unincorporated joint ventures and partnerships which your company has AT LEAST 10% equity interest.

ILLUSTRATION: REPORTING OF DIRECT INVESTMENT IN OVERSEAS AFFILIATES

- **Subsidiaries** refers to overseas entities in which your enterprise holds more than 50% of the voting stock or ordinary shares either directly or through other subsidiaries.
- **Associates** refers to overseas entities in which your enterprise holds at least 10%, but no more than 50% of the voting stocks or ordinary shares, either directly or through other subsidiaries. Please note that:
 - (a) subsidiaries of associates are considered as associates
 - (b) associates of associates are considered to be not related to the direct investors (e.g. H is not related to A in the diagram below).

The diagram and table below illustrates concept of effective ownership and relationship of overseas entities to the reporting enterprise.



If you are reporting for Singapore Entity A

Ownership Chain Tier	Entity	Type of Relationship	Effective Interest Held by your Enterprise (A) (%)	To be reported
1	B	Direct	80	Yes
1	C	Direct	100	Yes
1	D	Direct	30	Yes
1	E	Direct	60	No (Do not report Singapore affiliates)
2	F	Indirect	A's Effective Interest in B (i.e. 80) x 70% = 56	Yes
2	G	Indirect	A's Effective Interest in C (i.e. 100) x 40% = 40	Yes
2	H	Indirect	Not Applicable	No (Not related to A)

2	I	Indirect	Not Applicable	No (Singapore Entity E will report this affiliate)
3	J	Indirect	A's Effective Interest in F (i.e. 56) x 100% = 56	Yes
3	K	Indirect	A's Effective Interest in F (i.e. 56) x 30% = 16.8	Yes
3	L	Indirect	A's Effective Interest in G (i.e. 40) x 100% = 40	Yes
3	M	Indirect	Not Applicable	No (Singapore Entity E will report this affiliate)

If you are reporting for Singapore Entity E

Ownership Chain Tier	Entity	Type of Relationship	Effective Interest Held by your Enterprise (E) (%)	To be reported
1	I	Direct	55	Yes
2	M	Indirect	E's Effective Interest in I (i.e. 55) x 20% = 11	Yes