GLOBAL INVESTMENTS LIMITED

SGX Quarterly Report
31 March 2018

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CONTENT

PERFORMANCE REVIEW

CHANGES ARISING FROM THE ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS 9 (IFRS 9) WITH EFFECT FROM 1 JANUARY 2018

With effect from 1 January 2018, the Company and its subsidiaries (the Group) has adopted IFRS 9. Comparative figures in the Statement of Financial Position as at 31 December 2017 and in the Statement of Comprehensive Income for the quarter ended 31 March 2017 have not been restated and are still accounted for in accordance with International Accounting Standards 39.

Quoted equity shares and debt securities previously held as available-for-sale (AFS) financial assets with gains and losses recorded in other comprehensive income have been measured at fair value through profit and loss (FVTPL) on 1 January 2018. The AFS reserve of S$7.6 million related to those securities has been reclassified to opening retained earnings.

Debt securities previously held as loans and receivables have been measured at FVTPL on 1 January 2018 after analysing the intention of holding them and of their contractual cashflow characteristics. The net asset value of the Group has increased by S$1.7 million from fair value adjustments of such securities with a corresponding increase in the opening retained earnings by the same amount.

Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings as of 1 January 2018 and are disclosed under "Consolidated statement of changes in shareholders' equity". In total, the opening retained earnings has increased by S$9.3 million on 1 January 2018 following the adoption of IFRS 9.

FINANCIAL PERFORMANCE FOR QUARTER ENDED 31 MARCH 2018

The Group recorded a net loss after tax of S$2.2 million in the current quarter as compared to a net profit after tax of S$6.8 million in the same quarter last year.

REVENUE

During the quarter, the Group recorded a revenue of negative S$1.1 million as compared to S$10.9 million in the same quarter last year. As highlighted in the earlier paragraphs, all quoted equity shares and debt securities are measured at FVTPL and the fair value adjustments are recorded in the profit and loss statement following the adoption of IFRS 9. Due to the overall reduction in market prices of such shares and securities, a fair value loss of S$4.9 million was recognised during the quarter. This loss was cushioned by interest income of S$3.6 million.

EXPENSES

Expenses in 1Q 2018 reduced to S$1.1 million compared to S$3.9 million recorded in 1Q 2017. This was largely due to the absence of incentive fee accrual and net foreign exchange loss.

NET IMPAIRMENT EXPENSE

No impairment expense or reversal of impairment expense will be recognised going forward as all financial assets held is classified as FVTPL following the adoption of IFRS 9. In 1Q 2017, a net impairment expense of S$0.1 million was recognised from the portfolio of listed equities and bonds.

OTHER COMPREHENSIVE INCOME

Other comprehensive income for the Group amounted to a loss of S$1.1 million in 1Q 2018 as compared to a loss of S$1.4 million in 1Q 2017. The loss in the current quarter was attributed by translation loss as a result of the weakening of USD against SGD. In 1Q 2017, the loss was due to translation loss of S$3.0 million, cushioned by a net fair value gain in the AFS financial assets revaluation reserve.

Total comprehensive income for the Group amounted to a loss of S$3.3 million for 1Q 2018 compared to an income of S$5.4 million in the same quarter last year.

STATEMENT OF FINANCIAL POSITION

LOANS AND RECEIVABLES

Following the adoption of IFRS 9 on 1 January 2018, debt securities held as loans and receivables will be measured 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 will be measured at FVTPL.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at FVTPL as at 31 March 2018 was S$309.2 million and comprises the entire portfolio of investments held by the Group. This was S$67.3 million higher than the carrying value of the portfolio of investments amounting to S$241.9 million as at 31 December 2017. The increase was mainly due to investments in China domestic bonds and listed equities during the quarter.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents declined significantly to S$16.0 million as at 31 March 2018 compared to S$88.1 million as at 31 December 2017. This was due to the net purchase of investments, mainly China domestic bonds and listed equities, which approximate to S$58.0 million and S$12.2 million respectively.

NET ASSET VALUE PER SHARE

The net asset value per share of the Group as at 31 March 2018 was 19.45 Singapore cents. If the FY2017 final dividend was declared in FY2017 instead of FY2018, the net asset value per share as at 31 December 2017 would have been 19.54 Singapore cents instead of 20.14 Singapore cents per share and the decrease in net asset value per share would be 0.46% for the period ended 31 March 2018.

INVESTMENT PORTFOLIO

GIL was incorporated in Bermuda on 24 April 2006 and is formed as a mutual fund company. Its objective is to invest in a diversified portfolio of assets except for direct investments in properties and commodities.

The Group's investment portfolio at 31 March 2018 comprised the following assets:

LOAN PORTFOLIO AND SECURITISATION ASSETS

The Group is invested in a portfolio of USD and EUR denominated Collateralised Loan Obligation (CLO) notes. The CLO investments are in mezzanine and subordinated notes which are issued by securitisation vehicles that hold collateral consisting of mainly senior secured corporate loans. In addition, the Group is invested in a portfolio of Asset Backed Securities (ABS) comprising Australian Residential Mortgage Backed Securities (RMBS) and Australian Credit Card ABS. Australian RMBS are securitisation vehicles that hold Australian residential mortgage loans while Credit Card ABS holds collaterals consisting of credit card receivables.

BONDS

CHINA DOMESTIC BONDS
The Group is invested in a portfolio of China domestic bonds.

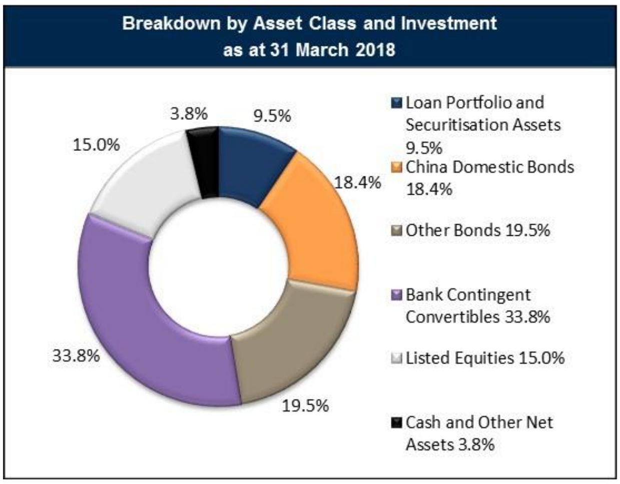
OTHER BONDS
The Group is invested in a portfolio of mainly high yield bonds other than China domestic bonds.

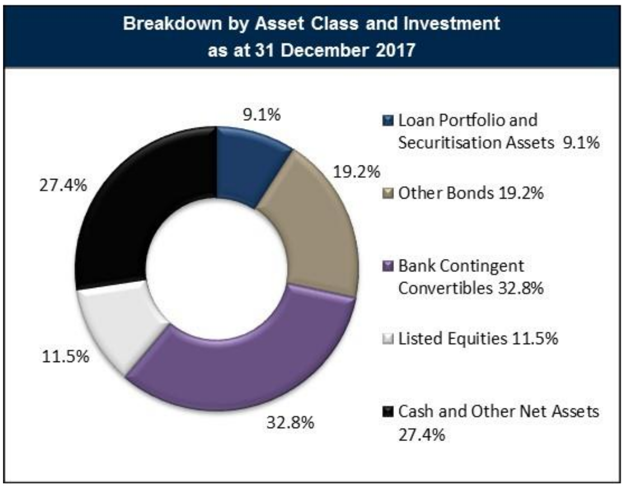
BANK CONTINGENT CONVERTIBLES

The Group is invested in a portfolio of Bank Contingent Convertible securities denominated in various currencies.

LISTED EQUITIES

GIL is invested in a portfolio of listed equities traded on various exchanges including Hong Kong, Singapore, South Korea, US, Europe and Australia.





Net asset value as at 31 March 2018 and 31 December 2017 is S$321.36 million and S$332.89 million respectively.

BUSINESS OUTLOOK[1]

MACROECONOMIC OUTLOOK

The International Monetary Fund (IMF) maintained its projection for global economic growth for both 2018 and 2019 at 3.9% in the latest World Economic Outlook report released in April 2018. Global growth is expected to be supported by strong momentum, positive market sentiment, accommodative financial conditions, and the domestic and international impact of expansionary fiscal policy in the United States.

In the US, according to the advance estimate by the Bureau of Economic Analysis (BEA), Gross Domestic Product (GDP) increased 2.3% quarter-on-quarter (q-o-q) in 1Q 2018 after growing 2.9% q-o-q in 4Q 2017. The ISM Manufacturing Purchasing Manager Index (PMI) remained flat at 59.3 in March as compared to December 2017, while the ISM Non-Manufacturing PMI Index increased to 58.8 in March compared to 56.0 in December 2017. Meanwhile, the Consumer Price Index (CPI) rose 2.4% year-on-year (y-o-y) in March compared to 2.1% y-o-y in December 2017. The US unemployment rate remained unchanged at 4.1% in March when compared with December 2017 but the participation rate increased from 62.7% to 62.9%. The Federal Reserve raised the Fed Funds Rate by a further 25 basis points during the March Federal Open Market Committee (FOMC) meeting, bringing the Fed Funds Rate to a target range of 1.50-1.75%. Based on the FOMC projections, the midpoint of the Fed Funds Rate at end of 2018 was at 2.1%, implying 2 further rate hikes of 25 basis points each till the end of the year. Economic activity continued to pick up at a moderate rate, while strength in the labour market also kept unemployment numbers low. While core inflation had continued to run below 2% on a trailing 12-month basis, the FOMC's view was that current economic conditions should sustain a return to their 2% inflation objective over the medium term.

In China, GDP grew at 6.8% y-o-y in 1Q 2018, the same pace as in the previous quarter, continuing the strong growth trend from 2017. Consumption continues to be the brightest spot, cementing its position as China's primary growth engine. Retail sales grew by 10.1% y-o-y in March compared to 9.4% y-o-y in December 2017. This will help offset the slowdown in infrastructure fixed asset investment and property sales. The Caixin Manufacturing PMI dropped to 51.0 in March compared to 51.5 in December 2017, while the Caixin Services PMI also declined to 52.3 from 53.9. Export growth came in at -2.7% y-o-y in March, compared to 10.9% y-o-y in December 2017, while import growth increased sharply to 14.4% y-o-y from 4.5%. The CPI rose to 2.1% y-o-y in March from 1.8% y-o-y in December 2017. In the first 3 months of 2018, China's foreign exchange reserves have not changed significantly, maintaining at US$3.14 trillion in March, similar to that as of December 2017.

China held the National People's Congress (NPC) in March. At the NPC, China had set annual growth target for 2018 at "about 6.5%" with a continued focus on quality growth. Furthermore, target for fiscal deficit is set at 2.6%, compared to 3.0% in 2017, which could imply greater fiscal prudence by the government. Among other things, there was continued emphasis on prudent and neutral monetary policy and better use of differentiated reserve requirement ratio and credit creation, to help support smaller enterprises, agricultural sector, and poorer areas. Additionally, supply side reform will be enforced, as steel and coal production will be reduced further. Zombie enterprises and state-owned enterprises will be restructured as well. The Sino-US trade friction is expected to remain a major overhang on China's economy and policy making.

Based on preliminary estimates by the European Commission (EC), the Eurozone GDP rose 2.5% y-o-y in 1Q 2018, compared to 2.8% growth y-o-y in 4Q 2017. GDP growth slowed to 0.4% q-o-q in 1Q 2018 compared to 0.7% in 4Q 2017. The Markit Eurozone Composite PMI, which tracks sentiment among purchasing managers within the manufacturing and service sectors, declined to 55.2 in March compared to 58.1 in December 2017. The Consumer Confidence Indicator dipped slightly to 0.1 from 0.5. Inflation also decreased slightly as the CPI dropped to 1.3% y-o-y in March from 1.4% y-o-y in December 2017. There was no change in ECB policy rates following the January and March meetings by the Governing Council. The ECB stated that it expects key ECB interest rates to remain at present levels for an extended period beyond the horizon of the net asset purchases, while net asset purchases will be maintained at the current monthly pace of €30 billion until the end of September 2018. However, the significant decline in GDP growth this quarter, coupled with the drop in PMI and a stronger euro, are raising concerns that growth momentum in the euro-zone is dissipating just when the ECB is looking to pare back its monetary stimulus policies. Political risk within the EU continues to be elevated despite Germany's centre-left SPD agreement to join Chancellor Angela Merkel's centre-right CDU/CSU in a renewed grand coalition, reducing the risk of a fragmented German government leading EU policy. The result of the Italian elections in early March was less market-friendly - an expected hung parliament, with populist and anti-establishment (M5S and Lega Nord) parties coming well ahead of consensus.

The Bank of England (BoE) maintained the bank rate to 0.5% following the Monetary Policy Committee (MPC) meetings in February and March. Also, the Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion, and to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion. Recent data are broadly consistent with the MPC's view of the medium-term outlook of which the prospects for global GDP growth remain strong, and financial conditions continue to be accommodative, with little persistent effect from the recent financial market volatility. Developments regarding the Brexit – particularly the reaction of households, businesses and asset prices – remain the most significant influence and concern about UK's economic outlook, with the most recent development being the announcement of a draft EU Withdrawal Agreement between the UK and the European Commission.

Currency

The Singapore dollar nominal effective exchange rate (S$NEER) decreased over the quarter. The S$NEER Index declined from 125.84 on 29th December 2017 to 125.71 as of 29th March 2018. In 1Q 2018, SGD strengthened against USD by 1.86%, AUD by 3.60%, and KRW by 1.68%. Over the same period, the SGD weakened against EUR by 1.30%, GBP by 2.69%, CNY by 1.66%, JPY by 3.86% and CHF by 0.45%. At the April 2018 meeting, MAS had decided to increase slightly the slope of the S$NEER policy band, from zero percent previously. There will be no change to the width of the band or the level at which it was centred.

In its quarterly Recent Economic Developments in Singapore report released in March, the Monetary Authority of Singapore (MAS) noted that growth in the domestic economy is expected to moderate but still remain relatively firm in 2018. According to the advance estimates by Ministry of Trade and Industry (MTI), the Singapore economy grew by 4.3% y-o-y in 1Q 2018, faster than the 3.6% growth in the previous quarter. On a q-o-q seasonally adjusted annualized basis, real GDP rose by 1.4% compared to the 2.1% expansion in 4Q 2017.

Singapore's headline inflation eased slightly as the CPI-All Items for 1Q 2018 came in at 0.2% y-o-y, compared to 0.4% in 4Q 2017. MAS Core Inflation, which excludes the cost of accommodation and private road transport, increased slightly to average 1.5% y-o-y in 1Q 2018, compared to 1.4% in 4Q 2017. This was because of stronger price increases in services as well as retail items, which more than offset lower food price inflation.

TARGETED ASSET CLASSES

Loan Portfolio and Securitisation Assets

The year started strong for the CLO market as $32.1 billion of new US CLOs and €6.2 billion of new Euro CLOs were priced in 1Q 2018. There continues to be more CLO resets than refinancing (refis). During the quarter, the US CLO market priced 47 resets and only 14 refis, while in Europe, there were 9 resets and only 2 refis.

Higher volatility across risk assets and widening corporate credit spreads drove US CLO tranche spreads wider. Over 1Q 2018, the 3-month US Libor rate increased 62 basis points to close the quarter at 2.31%. CLO debt tranches being floating-rate tranches, benefited from the rising LIBOR rates which more than offset the increased in tranche spreads. On the other hand, European CLO tranche spreads ended the quarter relatively unchanged.

The price of the Palmer Square CLO Debt Index, which tracks the value of US mezzanine CLO debt tranches, gained 1.06% in USD terms in 1Q 2018.

China Domestic Bonds

Chinese domestic bonds achieved positive returns in 1Q 2018. While US treasury yields climb, comparable Chinese government bond yields have been moving in the opposite directions. Chinese interest rates have been generally falling since late January, when the People's Bank of China (PBoC) began boosting cash injections into money markets, marking a reprieve from a bond market rout that had lasted more than a year. Over the quarter, the yield on ten-year government bond fell by 14 basis points to 3.74%, five-year fell by 18 basis points to 3.25%, and three-year fell by 21 basis points to 3.57%.

China's bond market is the third largest in the world, behind the US and Japan. Its total worth is US$9 trillion and policymakers have been increasing its accessibility to foreign investors, in a push to internationalise the yuan. The Bloomberg Barclays Global Aggregate Index will include Chinese-yuan denominated government and policy bank securities starting 2019. As the fourth-largest component in the $54 trillion index, the inclusion could bring over a quarter trillion dollars of passive inflows into the Chinese domestic bond market.

Trade tension and the continued focus on deleveraging will, however remain an overhang on the Chinese bond market.

The Bloomberg Barclays China Aggregate Index, which tracks the bonds listed on the Chinese interbank market, went up by 1.96% in CNY terms in 1Q 2018.

Other Bonds

In 1Q 2018, short maturities debt were the top performers as US treasury yield rose across the curve as growth and inflation expectations shifted higher. On a whole, corporate bonds closed the quarter with negative returns and underperformed government bonds, as investors pared down risk.

After a prolonged absence, volatility returned to the global markets. Concerns about an overheated US economy were the key drivers of the sell-off over the quarter. Ten-year US Treasury yields increased by 33 basis points to 2.74%, five-years rose by 36 basis points to 2.56% and three-year yields by 41 basis points to 2.38%. Sentiments were also negatively impacted by rising trade tensions between US and China.

The Bloomberg Barclays Global High Yield Index, which tracks the global high yield bond markets, fell by 0.36% in USD terms in 1Q 2018.

Bank Contingent Convertibles (CoCos)

Bank fundamentals remained constructive as the cost of risk for new loans hovers at cyclically low levels amidst a slowing but still robust pace of global economic expansion, guiding improvements in net interest margins and loan growth. Driven by the new accommodative ECB provision recognition guidelines during the quarter, asset quality continues to improve on the backs of non-performing asset sales led by the Spanish and Italian banks.

During the quarter, European AT1s continued to outperform the broader credit market, especially in EUR and GBP while US bank preferred securities lagged as they are generally longer in duration and suffered from the rise in rates. Supply of new issues was strong towards the end of the quarter led by UK and Spanish banks despite weakening market conditions. These came with significant new issue premiums which repriced secondary issues wider.

The Bank of America Merrill Lynch Contingent Capital Index, which tracks the global COCO debt markets, ended up 0.39% in USD terms in 1Q 2018.

Listed Equities

Global equity markets started the year well, buoyed by ongoing strength in economic data, robust earnings and the confirmation of a major US tax reform package. However, the latter part of the quarter saw a marked increase in volatility, due to higher inflation numbers that led to concerns about the path of US interest rates. In addition, the Fed further raised rates by 25 basis points in March. The equity markets faced turmoil late in the quarter as a growing trade dispute between US and China introduced increased volatility. The S&P 500 climbed to new highs in late January but ended the quarter with a decline of 1.23%.

Despite the strong growth in 1Q 2018, Chinese A-shares and H-shares showed widely diverging performance as the Shanghai Composite Index declined 4.17% but the Hang Seng China Enterprises Index rose 2.47% in the first quarter of 2018.

Euro Stoxx 50 declined 4.05% in 1Q 2018 with most of the decline coming in March. Concerns about the path of US interest rates, as well as ongoing trade dispute between US and China, led to declines. Economic data from the Eurozone also raised concerns that growth momentum might be slowing. The region's GDP grew by 0.40% q-o-q, which was the weakest in 6 quarters. Unemployment remained stable, while composite PMI came in at a 14-month low of 55.2.

In South Korea, KOSPI ended the first quarter of 2018 with a decline of -0.85%, despite an economic rebound with a 1.10% expansion in GDP in the first quarter.

On the home front, STI moderated to a gain of 0.73% in the quarter, thanks to an outperformance in technology, basic materials and bank stocks, as GDP growth accelerated for the quarter. This outweighed underperformance in the utilities, consumer discretionary and telecommunications sectors.

The MSCI All Country World Index, which tracks the global equity markets across both developed and emerging markets, decreased by 1.41% in USD terms in 1Q 2018.

Summary

Financial markets underwent a volatile period as rising interest rates alongside trade war rhetoric contributed to a risk-off sentiment as the quarter came to a close. Credit spreads widened from January tights as the market priced in higher inflation expectation and correspondingly, a faster than expected rise in short term US interest rates. The potential withdrawal of liquidity by the Fed and ECB unwinding their balance sheet may continue to induce further volatility as the market starts to be more disciplined in capital allocation across the different asset classes amidst the end of 'easy liquidity'.

The risk of a further trade war between major economic powers gives pause to the constructive economic data of previous quarters as steel tariffs enacted by the US against most of its trade partners during the quarter quickly led to talk of target counter-tariffs by its' largest trading partners. Strong inflation figures alongside weaker than expected economic data would continue to be an overhang on global markets in the upcoming quarter as it may induce the various central banks to accelerate further rate hikes to the detriment of the real economy.

While Brent crude increased 3.76% in the quarter, the Bloomberg Commodity Index, which tracks global commodities ended down 0.99%. The lower prices provided some reprieve to investors' concerns about a potential spike in commodities-led inflation.

In view of the increased volatility in the financial markets, the Company will continue to take a cautious stance in rebalancing its portfolio of assets and adopt a selective approach in its investment.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Quarter ended 31 Mar 18 S$'000	Group Year to date 31 Mar 18 S$'000	Group Quarter ended 31 Mar 17[1] S$'000	Group Year to date 31 Mar 17[1.] S$'000
Revenue				
Dividend income	64	64	145	145
Interest income	3,600	3,600	4,213	4,213
Net foreign exchange gain (net of hedges)	117	117	-	-
Net gain on sale of investments	-	-	5,789	5,789
Net (loss)/gain on financial assets designated as fair value through profit or loss	(4,924)	(4,924)	748	748
Total revenue	(1,143)	(1,143)	10,895	10,895
Expenses				
Management fees	(592)	(592)	(531)	(531)
Incentive fees	-	-	(2,161)	(2,161)
Net foreign exchange loss (net of hedges)	-	-	(745)	(745)
Other operating expenses	(498)	(498)	(483)	(483)
Total expenses	(1,090)	(1,090)	(3,920)	(3,920)
Net Impairment expense	-	-	(143)	(143)
Profit before tax	(2,233)	(2,233)	6,832	6,832
Income tax expense	(4)	(4)	(20)	(20)
Profit after tax	(2,237)	(2,237)	6,812	6,812
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Available-for-sale financial assets				
- Fair value gain	-	-	5,706	5,706
- Reclassification to profit or loss	-	-	(4,032)	(4,032)
Currency translation differences arising from consolidation				
- Loss	(1,052)	(1,052)	(3,041)	(3,041)
Other comprehensive income for the period after tax	(1,052)	(1,052)	(1,367)	(1,367)
Total comprehensive income for the period attributable to shareholders	(3,289)	(3,289)	5,445	5,445
Basic earnings per share (cents per share)	(0.14)	(0.14)	0.44	0.44
Diluted earnings per share (cents per share)	(0.14)	(0.14)	0.44	0.44

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

STATEMENT OF FINANCIAL POSITION

	Group As at 31 Mar 18 S$'000	Group As at 31 Dec 17[1] S$'000	Company As at 31 Mar 18 S$'000	Company As at 31 Dec 17[1] S$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	-	-	54,273	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	261,009	58,969	261,009	58,969
	261,009	203,712	315,282	258,008
Current assets				
Cash and cash equivalents	15,975	88,090	15,975	88,090
Available-for-sale financial assets	-	38,141	-	38,141
Financial assets at fair value through profit or loss	48,227	-	48,227	-
Other assets	7,317	7,348	7,317	7,348
	71,519	133,579	71,519	133,579
Total Assets	332,528	337,291	386,801	391,587
LIABILITIES				
Intercompany payables	-	-	54,270	54,297
Other liabilities	11,168	4,399	11,171	4,398
Total Liabilities	11,168	4,399	65,441	58,695
Net assets attributable to shareholders	321,360	332,892	321,360	332,892
EQUITY				
Share capital	563,537	563,537	563,537	563,537
Capital reserve	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	-	7,631	-	7,631
Translation reserve	10,063	11,115	-	-
Accumulated losses	(186,394)	(183,545)	(176,331)	(172,430)
Total Equity	321,360	332,892	321,360	332,892
Net asset value per share (S$ per share)	0.1945	0.2014	0.1945	0.2014

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Quarter ended 31 Mar 18 S$'000	Group Year to date 31 Mar 18 S$'000	Group Quarter ended 31 Mar 17 S$'000	Group Year to date 31 Mar 17 S$'000
Cash flows from operating activities				
Operating costs paid	(1,656)	(1,656)	(1,596)	(1,596)
Interest income received	3,057	3,057	4,288	4,288
Dividend income received	57	57	26	26
Settlement of forward contracts	-	-	(472)	(472)
Income tax paid	(4)	(4)	-	-
Net cash inflow from operating activities	1,454	1,454	2,246	2,246
Cash flows from investing activities				
Purchase of financial assets	(91,277)	(91,277)	(40,102)	(40,102)
Redemption/maturity of financial assets	7,425	7,425	2,389	2,389
Proceeds from disposal of financial assets	9,953	9,953	34,043	34,043
Net cash outflow from investing activities	(73,899)	(73,899)	(3,670)	(3,670)
Net decrease in cash and cash equivalents	(72,445)	(72,445)	(1,424)	(1,424)
Cash and cash equivalents at beginning of period	88,090	88,090	21,889	21,889
Effects of exchange rate changes on cash and cash equivalents	330	330	(121)	(121)
Cash and cash equivalents at end of period	15,975	15,975	20,344	20,344

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity of the Group for the quarter ended 31 March 2018	Share capital S$'000	Capital reserve[1] S$'000	Available-for-sale financial assets revaluation reserve S$'000	Translation reserve S$'000	Accumulated losses S$'000	Total S$'000
Total equity at 1 January 2018 (as previously stated)	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
Total equity at 1 January 2018 (restated)	563,537	(65,846)	-	11,115	(174,242)	334,564
Total comprehensive income for the 1st quarter ended 31 March 2018	-	-	-	(1,052)	(2,237)	(3,289)
Transactions with equity holders in their capacity as equity holders:						
Dividends for the period	-	-	-	-	(9,915)	(9,915)
Total equity at 31 March 2018	563,537	(65,846)	-	10,063	(186,394)	321,360

Changes in shareholders' equity of the Group for the quarter ended 31 March 2017	Share capital S$'000	Capital reserve[1] S$'000	Available-for-sale financial assets revaluation reserve S$'000	Translation reserve S$'000	Accumulated losses S$'000	Total S$'000
Total equity at 1 January 2017	549,432	(65,846)	12,996	14,593	(200,404)	310,771
Total comprehensive income for the 1st quarter ended 31 March 2017	-	-	1,674	(3,041)	6,812	5,445
Transactions with equity holders in their capacity as equity holders:						
Dividends for the period	-	-	-	-	(11,638)	(11,638)
Total equity at 31 March 2017	549,432	(65,846)	14,670	11,552	(205,230)	304,578

1. Following the change in the Company's functional currency from United States Dollar to Singapore Dollar on 1 January 2012, cumulative currency translation differences which had arisen up to the date of the change of functional currency were reallocated to capital reserve and accumulated losses.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

Changes in shareholders' equity of the Company for the quarter ended 31 March 2018	Share capital S$'000	Capital reserve[1] S$'000	Available-for-sale financial assets revaluation reserve S$'000	Accumulated losses S$'000	Total S$'000
Total equity at 1 January 2018 (as previously stated)	563,537	(65,846)	7,631	(172,430)	332,892
Adjustment due to adoption of IFRS 9	-	-	(7,631)	9,303	1,672
Total equity at 1 January 2018 (restated)	563,537	(65,846)	-	(163,127)	334,564
Total comprehensive income for the 1st quarter ended 31 March 2018	-	-	-	(3,289)	(3,289)
Transactions with equity holders in their capacity as equity holders:					
Dividends for the period	-	-	-	(9,915)	(9,915)
Total equity at 31 March 2018	563,537	(65,846)	-	(176,331)	321,360

Changes in shareholders' equity of the Company for the quarter ended 31 March 2017	Share capital S$'000	Capital reserve[1] S$'000	Available-for-sale financial assets revaluation reserve S$'000	Accumulated losses S$'000	Total S$'000
Total equity at 1 January 2017	549,432	(65,846)	10,357	(183,172)	310,771
Total comprehensive income for the 1st quarter ended 31 March 2017	-	-	4,250	1,195	5,445
Transactions with equity holders in their capacity as equity holders:					
Dividends for the period	-	-	-	(11,638)	(11,638)
Total equity at 31 March 2017	549,432	(65,846)	14,607	(193,615)	304,578

[1]. Refer to note on page 13.

ACCOUNTING POLICIES APPLICATION

The Group has adopted IFRS 9 from 1 January 2018. IFRS 9 is effective for annual periods beginning on or after 1 January 2018.

Overall, there are no significant impact arising from the adoption of IFRS 9 except from the effects of measuring debt securities previously held as loans and receivables at FVTPL and from measuring AFS financial assets at FVTPL. The effects are stated on page 3 under "Adoption of IFRS 9".

Other than the adoption of IFRS 9, accounting policies and methods of computation applied in preparation of these figures are the same as those used in the most recently audited financial statements as at 31 December 2017.

DIVIDENDS

No dividend has been declared in respect of the current period and the same period last year.

Ordinary Shares	**Group 2018**	**Group 2017**
Interim Dividend		
Dividend per Share (cents)	-	0.65
Dividend amount (S$'000)	-	10,455
Final Dividend		
Dividend per Share (cents)	-	0.60
Dividend amount (S$'000)	-	9,915
Total Dividend (S$'000)	**-**	**20,370**

CHANGES IN SHARE CAPITAL

There is no movement in the number of issued and fully paid-up ordinary shares for the first quarter ended 31 March 2018.

Pursuant to the Scrip Dividend Scheme (the Scheme) announced on 20 February 2018, on 24 April 2018 the Company issued and allotted 43,720,395 new ordinary shares in the capital of the Company to eligible shareholders who had elected to participate in the Scheme. The issue price of each new ordinary share is 14.3 Singapore cents.

NET ASSET VALUE

	Group As at 31 Mar 18	**Company As at 31 Mar 18**	**Group As at 31 Dec 17**	**Company As at 31 Dec 17**
Total net asset value (S$'000)	321,360	321,360	332,892	332,892
Total number of ordinary shares in issue used in calculation of net asset value per share ('000)	1,652,575	1,652,575	1,652,575	1,652,575
Net asset value per ordinary share (S$ per share)	0.1945	0.1945	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 in issue as at the end of the accounting period.

* The net asset value per share of the Group as at 31 March 2018 was 19.45 Singapore cents. If the FY2017 final dividend was declared in FY2017 instead of FY2018, the net asset value per share as at 31 December 2017 would have been 19.54 Singapore cents instead of 20.14 Singapore cents per share and the decrease in net asset value per share would be 0.46% for the period ended 31 March 2018.

EARNINGS PER SHARE

	Group Quarter ended 31 Mar 18	Group Year to date 31 Mar 18	Group Quarter ended 31 Mar 17	Group Year to date 31 Mar 17
Basic earnings per share				
Earnings used in calculation of basic earnings per share (S$'000)	(2,237)	(2,237)	6,812	6,812
Weighted average number of shares in issue used in calculation of basic earnings per share ('000)	1,652,575	1,652,575	1,551,775	1,551,775
Basic earnings per share (cents per share)	(0.14)	(0.14)	0.44	0.44
Diluted earnings per share				
Earnings used in calculation of diluted earnings per share (S$'000)	(2,237)	(2,237)	6,812	6,812
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,652,575	1,652,575	1,551,775	1,551,775
Diluted earnings per share (cents per share) [1]	(0.14)	(0.14)	0.44	0.44

[1] In future period, shares may be issued to the Manager in lieu of management fees otherwise payable in cash. This will have a dilutive effect on earnings per share.

AUDIT OR REVIEW

The figures in this report have not been audited or reviewed.

INTERESTED PERSON TRANSACTION

The Company has not obtained a general mandate from shareholders for interested person transactions.

CONFIRMATION OF THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of Global Investments Limited, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to their attention which may render the financial statements for the quarter ended 31 March 2018 to be false or misleading in any material respect.

CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Company confirms that it has procured the undertakings from all its Directors in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors

Boon Swan Foo
Chairman
10 May 2018

Jason See Yong Kiat
Manager Nominated Director
10 May 2018