



# GLOBAL INVESTMENTS LIMITED

## **SGX Quarterly Report 31 March 2017**

Investments in Global Investments Limited (“GIL”) are not deposits with or other liabilities of Singapore Consortium Investment Management Limited (“SICIM”), or any of SICIM’s related corporations and are subject to investment risk, including possible loss of income and capital invested. Neither SICIM (manager of GIL), nor SICIM’s related corporations guarantee the performance of GIL or the payment of a particular rate of return on the shares of GIL.

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

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

This financial report has been prepared to enable the directors to comply with their obligations under the Listing Manual of the Singapore Exchange Securities Trading Limited (“Listing Manual”) and where relevant, to satisfy the requirements of the International Financial Reporting Standards. The responsibility for the preparation of the financial report and any financial information contained in this financial report rests solely with the directors of GIL.

## CONTENT

CONTENT	2
PERFORMANCE REVIEW	3
INVESTMENT PORTFOLIO	4
BUSINESS OUTLOOK <sup>1</sup>	5
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	11
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY	12
ACCOUNTING POLICIES APPLICATION	13
DIVIDENDS	13
CHANGES IN SHARE CAPITAL	13
NET ASSET VALUE	13
EARNINGS PER SHARE	14
AUDIT OR REVIEW	14
INTERESTED PERSON TRANSACTION	14
CONFIRMATION OF THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL	14
CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL	14

## PERFORMANCE REVIEW

### QUARTER ENDED 31 MARCH 2017

The Company and its subsidiaries (the “Group”) recorded a profit after tax of S\$6.8 million in the current quarter, 2.4 times higher when compared to the S\$2.0 million profit after tax in the same quarter last year.

### REVENUE

Revenue for 1Q 2017 of S\$10.9 million was 2.0 times higher than the S\$3.6 million recorded in the same quarter last year. The higher revenue was mainly driven by the higher net gain on sale of investments of S\$5.8 million compared to S\$0.6 million recorded in 1Q 2016. In addition, a net gain on financial assets designated as fair value through profit or loss of S\$0.7 million was recognised during the quarter; in the same quarter last year a loss of S\$1.8 million was recognised. Interest income has also increased by S\$0.5 million to S\$4.2 million compared to S\$3.7 million recorded in 1Q 2016.

### EXPENSES

Expenses in 1Q 2017 increased to S\$3.9 million from S\$0.9 million in 1Q 2016. The higher level of expenses was largely due to the provisioning of the 1H 2017 incentive fees of S\$2.2 million. The provision amount was calculated assuming the end of the Relevant Half Year was 31 March 2017 instead of 30 June 2017. The actual amount of the incentive fees will be determined on 30 June 2017. A net foreign exchange loss of S\$0.7 million further contributed to the higher expense in 1Q 2017.

### NET IMPAIRMENT EXPENSE

During the quarter, a net impairment expense of S\$0.1 million was recognised from the portfolio of listed equities and bonds while in 1Q 2016, S\$0.6 million was recognised for impairment of listed equities.

### OTHER COMPREHENSIVE INCOME

Other comprehensive income for the Group amounted to a loss of S\$1.4 million in 1Q 2017 as compared to a loss of S\$9.8 million in 1Q 2016. The loss in the current quarter was due to a translation loss of S\$3.0 million as a result of the weakening of USD against SGD, cushioned by a net positive movement in the available-for-sale (“AFS”) financial assets revaluation reserve. In 1Q 2016 the other comprehensive loss was due to net fair value loss from AFS financial assets of S\$3.6 million and a translation loss of S\$5.9 million.

The Group recorded a total comprehensive income of S\$5.4 million for 1Q 2017 compared to a loss of S\$7.8 million in the same quarter last year.

### STATEMENT OF FINANCIAL POSITION

#### LOANS AND RECEIVABLES

The loans and receivables as at 31 March 2017 was relatively unchanged at S\$53.9 million compared to S\$54.0 million as at 31 December 2016.

#### AVAILABLE-FOR-SALE FINANCIAL ASSETS

The AFS financial assets of S\$176.4 million as at 31 March 2017 comprised investments in listed equities, bonds, bank contingent convertibles and collateralised loan obligations. The increase of S\$2.5 million from S\$173.9 million as at 31 December 2016 was mainly due to the net purchases during the quarter.

#### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at fair value through profit or loss as at 31 March 2017 was S\$74.1 million as compared to S\$63.5 million as at 31 December 2016. It comprised investments in a portfolio of bonds and bank contingent convertibles. The increase of S\$10.6 million during the quarter was due to new purchases made.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents of S\$20.3 million as at 31 March 2017 was slightly lower compared to S\$21.9 million as at 31 December 2016. This was mainly due to a net purchase of investments during the quarter.

## NET ASSET VALUE PER SHARE

The net asset value per share of the Group as at 31 March 2017 was 19.6 Singapore cents. If the FY2016 final dividend was declared in FY2016 instead of FY2017, the net asset value per share as at 31 December 2016 would have been 19.3 Singapore cents instead of 20.0 Singapore cents per share and the increase in net asset value per share would be 1.6% for the quarter ended 31 March 2017.

## 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 2017 comprised the following assets:

### LOAN PORTFOLIO AND SECURITISATION ASSETS

The Group is invested in a portfolio of USD and EUR denominated CLO. 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

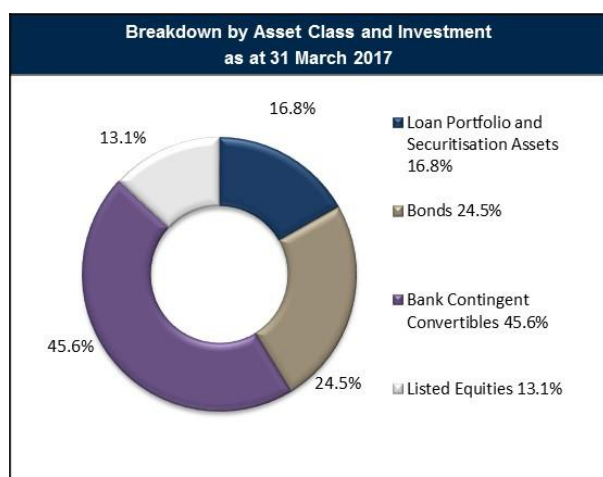
The Group is invested in a portfolio of mainly high yield bonds denominated in various currencies.

### 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 and Europe.



Net asset value as at 31 March 2017 is S\$304.58 million

---

## BUSINESS OUTLOOK<sup>1</sup>

### MACROECONOMIC OUTLOOK

The International Monetary Fund (“IMF”) revised upwards its projection for global economic growth for 2017 by 0.1% to 3.5% while maintaining its growth forecast for 2018 at 3.6% in the latest World Economic Outlook report released in April 2017 in view of the improved growth outlook for the advanced economies and China. However, potential market volatility due to the disconnect between financial markets and economic fundamentals, and policy uncertainties could derail the modest recovery. The UK has initiated proceedings to leave the European Union (“EU”) and there is limited visibility surrounding how the negotiations between the UK and the EU will develop. In addition, the policy stance of the new US administration and its spillover effects on global trade and the world economy remain key risks. Although global oil prices have risen from their 2016 trough, concerns over the oil over-supply situation persist.

In the US, according to the advance estimate by the Bureau of Economic Analysis (“BEA”), Gross Domestic Product (“GDP”) increased 0.7% quarter-on-quarter (“q-o-q”) in 1Q 2017 after growing 2.1% q-o-q in 4Q 2016. The ISM Manufacturing Purchasing Manager Index (“PMI”) rose strongly to 57.2 in March 2017 from 54.5 in December 2016, while the ISM Non-Manufacturing PMI Index was at 55.2 in March 2017 compared to 56.6 in December 2016. Meanwhile, headline inflation accelerated due to a strong rebound in energy prices. The Consumer Price Index (“CPI”) gained 2.4% year-on-year (“y-o-y”) in March 2017 compared to 2.1% y-o-y in December 2016. The US unemployment rate improved to 4.5% in March 2017 from 4.7% in December 2016 while the participation rate rose from 62.7% to 63%. The improvement in the unemployment rate suggests underlying strength in the labour market. Citing near full employment and inflation nearing the 2% target, the Federal Reserve (“the Fed”) decided to raise the Fed Funds Rate by 25 basis points at the March meeting. Fed officials maintained its projection of three rate hikes in 2017 given improvements in business and consumer sentiment.

In the Eurozone, economic data continued to indicate lacklustre growth but inflation rose due to a rebound in energy prices. Based on preliminary estimates by the European Commission (“EC”), the Eurozone GDP rose 1.7% y-o-y in 1Q 2017 compared to 1.8% y-o-y in 4Q 2016. The Markit Eurozone Composite PMI, which tracks sentiment among purchasing managers within the manufacturing and service sectors, rose strongly to 56.4 in March 2017 from 54.4 in December 2016. The Consumer Confidence Indicator improved slightly from -5.1 to -5.0. Inflation rose 1.5% y-o-y in March 2017 from 1.1% y-o-y in December 2016. During its March policy meeting, the European Central Bank (“ECB”) kept interest rates unchanged due to a subdued growth outlook as well as increasing geopolitical risks. The ECB has extended the maturity of the Quantitative Easing (“QE”) programme to December 2017, but will be reducing the monthly asset purchases to €60 billion from April 2017 onwards. In the UK, the impact from Brexit remains a major uncertainty to its economy. The Bank of England maintained its monetary policy stance in March in order to support growth.

In China, economic indicators were generally positive. The country’s GDP grew at 6.9% y-o-y in 1Q 2017 compared to 6.8% y-o-y in 4Q 2016, indicating that the economy has maintained its growth momentum. The Caixin Manufacturing PMI was at 51.2 in March 2017 compared to 51.9 in December 2016, suggesting that investment activities continue to recover. The Caixin Services PMI came in at 52.2 in March 2017 compared to 53.4 in December 2016. Industrial output expanded strongly at 7.6% y-o-y in March 2017 compared to 6.0% y-o-y in December 2016. Private consumption remained relatively constant, with retail sales growing at 10.9% y-o-y in March 2017, unchanged from December 2016. Exports growth rebounded strongly to 16.4% y-o-y in March 2017 compared to -6.2% y-o-y in December 2016, while import growth increased sharply to 20.3% y-o-y in March 2017 from 3.1% y-o-y in December 2016. The CPI fell to 0.9% y-o-y in March 2017 from 2.1% y-o-y in December 2016. The People’s Bank of China (“PBOC”) continues to tighten liquidity in open market operations as well as using non-traditional tools such as the medium-term lending facility (“MLF”) and standing lending facility (“SLF”), reflecting their intention to contain rising financial risks and capital outflow. Going forward, the PBOC is expected to maintain its current tone of monetary policy with a tightening bias. The Chinese government is likely to continue their supportive policy for infrastructure investment, which is one pillar of economic growth for China in 2017. The country seeks to make substantial progress on cutting excessive industrial capacity, destocking, de-leveraging, lowering corporate costs and improving social infrastructure.

### Currency

The Singapore dollar nominal effective exchange rate (S\$NEER) Index rose from 123.61 on 30th December 2016 to 125.26 as of 31st March 2017. The strength was largely contributed by the higher expectation of near-term domestic inflation and economic growth. In 1Q17, SGD strengthened against EUR by 2.02%, GBP by 1.78%, USD by 3.35%, and CNY by 2.59% while weakened against AUD by 2.13%, JPY by 0.61% and KRW by 4.09%.

According to the advance estimates by Ministry of Trade and Industry (“MTI”), the Singapore economy grew by 2.5% y-o-y in 1Q17, slower as compared to the 2.9% y-o-y in 4Q16. On a q-o-q seasonally adjusted annualized basis, real GDP fell by 1.9%, in stark contrast to the 12.3% expansion in 4Q16.

Singapore’s headline inflation continues to be positive since December 2016, as the March 2017 CPI-All Items inflation statistic from MTI came in at 0.7% y-o-y, unchanged from the preceding month. MAS Core Inflation, which excludes the

cost of accommodation and private road transport, rose 1.2% y-o-y in March 2017 unchanged from the preceding month, primarily due to a decline in services and food inflation. From the recent April Monetary Policy Statement, the Singapore economy is projected to expand modestly in 2017, not markedly different from the growth in 2016. The modest growth outlook for Singapore's economy is expected to keep inflationary pressures modest in spite of the higher expected imported inflation given the rise in oil prices. Notwithstanding a slower economic growth in the first quarter, the MAS reaffirmed its neutral policy stance in the April meeting.

## TARGETED ASSET CLASSES

### Loan Portfolio and Securitisation Assets

1Q 2017 saw a continuation of the healthy pace of CLO refinancing and reset deals from the last quarter. In contrast, the volume of new CLO issuances declined. Global CLO supply hit a quarterly record of US\$76.4 billion, with refinancing and reset deals accounting for over 70% of volumes. The strong rally in leveraged loan prices at the start of the year translated to slower new CLO issuance and spread tightening to near post-crisis lows across all the CLO tranches, which supported more refinancing and reset activities in the CLO space.

The price of the Palmer Square CLO Debt Index, which tracks the value of US mezzanine CLO debt tranches, gained 3.70% in USD terms in 1Q 2017.

### Bonds

Investors' optimism over the strengthening global economy and potential pro-growth effects from President Trump's fiscal stimulus plans drove bond markets in the first quarter of 2017. Nevertheless, details over Trump's fiscal plans remained thin and there continues to be lingering investor concerns about the ability of the Trump administration and Congress to iron out differences to pass legislation. The shift toward monetary policy normalisation continued as the US Fed raised rates and the ECB signalled it needed a less accommodative policy stance going forward. Geopolitical risks, however, remained a concern. Politics in Europe remained a concern for markets as nationalist politicians continued to command support, although concerns receded somewhat with the Macron victory in France while tensions have risen around North Korea and Syria.

The JP Morgan Asia Credit Index, which tracks the Asian bond markets, posted a gain of 2.56% in USD terms in 1Q 2017. The JP Morgan US Liquid Index, which tracks the investment grade US-Dollar denominated corporate bond market, rose 1.34% in USD terms in the same period.

### Bank Contingent Convertibles

The first quarter saw an improvement in earnings outlook of banks on the back of strengthening macroeconomic data, alongside a US interest rate hike in February, benefiting both bank equity and Additional Tier-1 ("AT1") bond valuations. Capital raised by Unicredit and Deutsche Bank were successfully completed as issuers continued their capital build plans. FY16 reported earnings were broadly positive, with AT1 coupon restriction risk continuing to abate due to healthier capital levels, alongside lower AT1 coupon restriction thresholds. The regulatory environment continues to remain supportive for Bank CoCos, with the deferment of Basel IV regulatory discussion reducing new regulatory risks. The European Commission's approval of state aid to help deal with Italian banks' non-performing assets further served to preserve financial stability within the EU banking system. Political uncertainty remains poised to be a key driver of volatility in the Bank CoCo market, with UK and Germany undergoing general elections within this year in parallel with Article 50 having been invoked by UK to initiate discussions on its eventual exit from the EU. Overall, Bank CoCos continued to strengthen on a more progressive regulatory and macro environment while the primary market saw a deceleration of issuances as compared to previous quarters.

The Bank of America Merrill Lynch Contingent Capital Index, which tracks the global CoCo markets, gained 4.48% in USD terms in 1Q 2017.

### Listed Equities

Developed markets saw strong performance in equity markets in 1Q 2017. Macroeconomic data in US continued to be supportive. While the market was initially optimistic over President's Trump's plans to cut tax, boost infrastructure spending and reduce the regulatory burden on business, failure at the end of the period to pass revisions to healthcare legislation planted doubts about the Administration's ability to implement his policies in the future. Eurozone equities performed strongly due to positive economic data. Asian equities also performed during the quarter. In China, the weaker US dollar served to alleviate concerns over capital outflows and economic data stabilised.

The MSCI World Index, which tracks the global equity markets, climbed 5.85% in USD terms in 1Q 2017.

## Summary

Despite improvements in the financial markets in the first quarter of 2017, the global macro environment remains challenging going into the remainder of 2017. Economic policy under the new US administration remain uncertain. In Europe, political events continue to take centre stage in 2017 as voters are due to head to the polls in Germany, France, UK and potentially Italy should early elections be triggered. The election of Emmanuel Macron to the French Presidency cleared the first significant EU political risk, with French Treasury 10Y spreads subsequently tightened by 43 bps against 10Y German Bunds after widening to a 4-year high of 80 bps in February 2017 on heightened market tensions. Populist EU parties having being defeated in the Dutch general and French presidential elections still continue to generate concern from investors. Rising political risks could still derail meaningful structural reforms and fiscal stimulus programmes, impacting the economic recovery observed thus far. Tensions have risen in the Korean Peninsula after the US sent its aircraft carrier strike group to the region. Oil prices fell over the quarter after a strong rally in late 2016 while the Bloomberg Commodity Index, which tracks global commodities fell 0.83% q-o-q. Headwinds in the oil and gas sector remain as the return of US shale oil production and inventory build-up could limit the upside of oil prices.

In view of market volatility amidst a challenging economic and political environment, the Company will take a cautious stance and selective approach in its investment.

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Quarter ended 31 Mar 17 S\$'000	Group Year to date 31 Mar 17 S\$'000	Group Quarter ended 31 Mar 16 S\$'000	Group Year to date 31 Mar 16 S\$'000
Revenue				
Dividend income	145	145	203	203
Interest income	4,213	4,213	3,709	3,709
Net foreign exchange gain (net of hedges)	-	-	779	779
Net gain on sale of investments	5,789	5,789	640	640
Net gain/(loss) on financial assets designated as fair value through profit or loss	748	748	(1,780)	(1,780)
<b>Total revenue</b>	<b>10,895</b>	<b>10,895</b>	<b>3,551</b>	<b>3,551</b>
Expenses				
Management fees	(531)	(531)	(467)	(467)
Incentive fees	(2,161)	(2,161)	-	-
Net foreign exchange loss (net of hedges)	(745)	(745)	-	-
Other operating expenses	(483)	(483)	(477)	(477)
<b>Total expenses</b>	<b>(3,920)</b>	<b>(3,920)</b>	<b>(944)</b>	<b>(944)</b>
Net Impairment expense	(143)	(143)	(580)	(580)
<b>Profit before tax</b>	<b>6,832</b>	<b>6,832</b>	<b>2,027</b>	<b>2,027</b>
Income tax expense	(20)	(20)	(24)	(24)
<b>Profit after tax</b>	<b>6,812</b>	<b>6,812</b>	<b>2,003</b>	<b>2,003</b>
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Available-for-sale financial assets				
- Fair value gain/(loss)	5,706	5,706	(3,601)	(3,601)
- Reclassification to profit or loss	(4,032)	(4,032)	(276)	(276)
Currency translation differences arising from consolidation				
- Loss	(3,041)	(3,041)	(5,910)	(5,910)
<b>Other comprehensive income for the period after tax</b>	<b>(1,367)</b>	<b>(1,367)</b>	<b>(9,787)</b>	<b>(9,787)</b>
<b>Total comprehensive income for the period attributable to shareholders</b>	<b>5,445</b>	<b>5,445</b>	<b>(7,784)</b>	<b>(7,784)</b>
Basic earnings per share (cents per share)	0.44	0.44	0.14	0.14
Diluted earnings per share (cents per share)	0.44	0.44	0.14	0.14



## STATEMENT OF FINANCIAL POSITION

	Group As at 31 Mar 17 S\$'000	Group As at 31 Dec 16 S\$'000	Company As at 31 Mar 17 S\$'000	Company As at 31 Dec 16 S\$'000
<b>ASSETS</b>				
Non-current assets				
Investments in subsidiaries	-	-	92,512	92,435
Loans and receivables	53,944	53,957	53,944	53,957
Available-for-sale financial assets	135,745	128,122	135,745	128,122
Financial assets at fair value through profit or loss	73,566	63,002	73,566	63,002
	<u>263,255</u>	<u>245,081</u>	<u>355,767</u>	<u>337,516</u>
Current assets				
Cash and cash equivalents	20,344	21,889	20,244	20,687
Available-for-sale financial assets	40,700	45,799	40,700	41,884
Financial assets at fair value through profit or loss	497	490	497	490
Other assets	3,334	3,230	3,306	3,195
	<u>64,875</u>	<u>71,408</u>	<u>64,747</u>	<u>66,256</u>
<b>Total Assets</b>	<u>328,130</u>	<u>316,489</u>	<u>420,514</u>	<u>403,772</u>
<b>LIABILITIES</b>				
Intercompany payables	-	-	92,386	87,285
Other liabilities	23,552	5,718	23,550	5,716
<b>Total Liabilities</b>	<u>23,552</u>	<u>5,718</u>	<u>115,936</u>	<u>93,001</u>
<b>Net assets attributable to shareholders</b>	<u>304,578</u>	<u>310,771</u>	<u>304,578</u>	<u>310,771</u>
<b>EQUITY</b>				
Share capital	549,432	549,432	549,432	549,432
Capital reserve	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	14,670	12,996	14,607	10,357
Translation reserve	11,552	14,593	-	-
Accumulated losses	(205,230)	(200,404)	(193,615)	(183,172)
<b>Total Equity</b>	<u>304,578</u>	<u>310,771</u>	<u>304,578</u>	<u>310,771</u>
<b>Net asset value per share (S\$ per share)</b>	<u>0.196</u>	<u>0.200</u>	<u>0.196</u>	<u>0.200</u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Quarter ended 31 Mar 17 S\$'000	Group Year to date 31 Mar 17 S\$'000	Group Quarter ended 31 Mar 16 S\$'000	Group Year to date 31 Mar 16 S\$'000
<b>Cash flows from operating activities</b>				
Operating costs paid	(1,596)	(1,596)	(1,027)	(1,027)
Interest income received	4,288	4,288	4,135	4,135
Dividend income received	26	26	52	52
Settlement of forward contracts	(472)	(472)	76	76
Income tax paid	-	-	(24)	(24)
<b>Net cash inflow from operating activities</b>	<b>2,246</b>	<b>2,246</b>	<b>3,212</b>	<b>3,212</b>
<b>Cash flows from investing activities</b>				
Purchase of financial assets	(40,102)	(40,102)	(8,110)	(8,110)
Loan repayments received	105	105	354	354
Proceeds from disposal of financial assets	36,327	36,327	7,581	7,581
<b>Net cash outflow from investing activities</b>	<b>(3,670)</b>	<b>(3,670)</b>	<b>(175)</b>	<b>(175)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,424)</b>	<b>(1,424)</b>	<b>3,037</b>	<b>3,037</b>
Cash and cash equivalents at beginning of period	21,889	21,889	29,110	29,110
Effects of exchange rate changes on cash and cash equivalents	(121)	(121)	(621)	(621)
<b>Cash and cash equivalents at end of period</b>	<b>20,344</b>	<b>20,344</b>	<b>31,526</b>	<b>31,526</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<b>Changes in shareholders' equity of the Group for the quarter ended 31 March 2017</b>	<b>Share capital S\$'000</b>	<b>Capital reserve<sup>1</sup> S\$'000</b>	<b>Available-for-sale financial assets revaluation reserve S\$'000</b>	<b>Translation reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total S\$'000</b>
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)
<b>Total equity at 31 March 2017</b>	<b>549,432</b>	<b>(65,846)</b>	<b>14,670</b>	<b>11,552</b>	<b>(205,230)</b>	<b>304,578</b>

<b>Changes in shareholders' equity of the Group for the quarter ended 31 March 2016</b>	<b>Share capital S\$'000</b>	<b>Capital reserve<sup>1</sup> S\$'000</b>	<b>Available-for-sale financial assets revaluation reserve S\$'000</b>	<b>Translation reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total S\$'000</b>
Total equity at 1 January 2016	535,837	(65,846)	3,591	14,026	(195,394)	292,214
Total comprehensive income for the 1st quarter ended 31 March 2016	-	-	(3,877)	(5,910)	2,003	(7,784)
Transactions with equity holders in their capacity as equity holders:						
Dividends for the period	-	-	-	-	(10,848)	(10,848)
<b>Total equity at 31 March 2016</b>	<b>535,837</b>	<b>(65,846)</b>	<b>(286)</b>	<b>8,116</b>	<b>(204,239)</b>	<b>273,582</b>

<sup>1</sup> 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

<b>Changes in shareholders' equity of the Company for the quarter ended 31 March 2017</b>	<b>Share capital S\$'000</b>	<b>Capital reserve<sup>1</sup> S\$'000</b>	<b>Available-for-sale financial assets revaluation reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total S\$'000</b>
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)
<b>Total equity at 31 March 2017</b>	<b>549,432</b>	<b>(65,846)</b>	<b>14,607</b>	<b>(193,615)</b>	<b>304,578</b>

<b>Changes in shareholders' equity of the Company for the quarter ended 31 March 2016</b>	<b>Share capital S\$'000</b>	<b>Capital reserve<sup>1</sup> S\$'000</b>	<b>Available-for-sale financial assets revaluation reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total S\$'000</b>
Total equity at 1 January 2016	535,837	(65,846)	(2,948)	(174,829)	292,214
Total comprehensive income for the 1st quarter ended 31 March 2016	-	-	(3,539)	(4,245)	(7,784)
Transactions with equity holders in their capacity as equity holders:					
Dividends for the period	-	-	-	(10,848)	(10,848)
<b>Total equity at 31 March 2016</b>	<b>535,837</b>	<b>(65,846)</b>	<b>(6,487)</b>	<b>(189,922)</b>	<b>273,582</b>

<sup>1</sup> Refer to note on page 11

## ACCOUNTING POLICIES APPLICATION

Accounting policies and methods of computation applied in preparation of these figures that are not stated in this report are the same as those used in the most recently audited annual financial statements of the Group and the Company.

## DIVIDENDS

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

<b>Ordinary Shares</b>	<b>Group 2017</b>	<b>Group 2016</b>
<u>Interim Dividend</u>		
Dividend per Share (cents)	-	0.75
Dividend amount (S\$'000)	-	11,222
<u>Final Dividend</u>		
Dividend per Share (cents)	-	0.75
Dividend amount (S\$'000)	-	11,638
<b>Total Dividend (S\$'000)</b>	<b>-</b>	<b>22,860</b>

## 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 2017.

Pursuant to the Scrip Dividend Scheme ("the Scheme") announced on 23 February 2017, on 25 April 2017 the Company issued and allotted 56,674,853 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 13.6 Singapore cents.

## NET ASSET VALUE

	<b>Group As at 31 Mar 17</b>	<b>Company As at 31 Mar 17</b>	<b>Group As at 31 Dec 16</b>	<b>Company As at 31 Dec 16</b>
Total net asset value (S\$'000)	304,578	304,578	310,771	310,771
Total number of ordinary shares in issue used in calculation of net asset value per share ('000)	1,551,775	1,551,775	1,551,775	1,551,775
Net asset value per ordinary share (S\$ per share)	0.196	0.196	0.200	0.200

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 2017 was 19.6 Singapore cents. If the FY2016 final dividend was declared in FY2016 instead of FY2017, the net asset value per share as at 31 December 2016 would have been 19.3 Singapore cents instead of 20.0 Singapore cents per share and the increase in net asset value per share would be 1.6% for the period ended 31 March 2017.

## EARNINGS PER SHARE

	Group Quarter ended 31 Mar 17	Group Year to date 31 Mar 17	Group Quarter ended 31 Mar 16	Group Year to date 31 Mar 16
<b>Basic earnings per share</b>				
Earnings used in calculation of basic earnings per share (S\$'000)	6,812	6,812	2,003	2,003
Weighted average number of shares in issue used in calculation of basic earnings per share ('000)	1,551,775	1,551,775	1,446,434	1,446,434
Basic earnings per share (cents per share)	0.44	0.44	0.14	0.14
<b>Diluted earnings per share</b>				
Earnings used in calculation of diluted earnings per share (S\$'000)	6,812	6,812	2,003	2,003
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,551,775	1,551,775	1,446,434	1,446,434
Diluted earnings per share (cents per share) <sup>1</sup>	0.44	0.44	0.14	0.14

<sup>1</sup> 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 2017 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  
11 May 2017

Jason See Yong Kiat  
Manager Nominated Director  
11 May 2017