



# GLOBAL INVESTMENTS LIMITED

## **SGX Quarterly Report 31 March 2016**

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This financial report has been prepared to enable the directors to comply with their obligations under the Singapore Exchange Securities Trading Limited Listing Rules 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.

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## PERFORMANCE REVIEW

### **QUARTER ENDED 31 MARCH 2016**

The Company and its subsidiaries ("the Group") recorded a profit after tax of S\$2.0 million in the current quarter as compared to S\$5.6 million in the same quarter last year.

### **REVENUE**

Revenue for 1Q 2016 was S\$3.6 million as compared to S\$8.1 million in 1Q 2015. Gain on sale of investment of S\$0.6 million in 1Q 2016 was lower than 1Q 2015 by S\$3.0 million. A fair value loss of S\$1.8 million on financial assets designated as fair value through profit or loss was recorded in 1Q 2016. In 1Q 2015, a fair value gain of S\$1.3 million had been recorded. The lower revenue was offset partially by higher interest income and net foreign exchange gain during the current quarter.

### **EXPENSES**

Expense in 1Q 2016 was S\$0.9 million as compared to S\$2.5 million in 1Q 2015. The lower expense during the current quarter was due largely to the absence of net foreign exchange loss.

During the quarter, an impairment expense of S\$0.6 million was recognized for listed equities.

### **OTHER COMPREHENSIVE INCOME**

Other comprehensive loss for the Group amounted to S\$9.8 million in 1Q 2016. The loss was due to a net fair value loss of S\$3.6 million from available-for-sale ("AFS") financial assets and a negative S\$0.3 million movement from the reclassification of fair value gain to profit and loss following the sale and impairment of listed equities. As a result of the weakening of USD against SGD, a translation loss of S\$5.9 million was recorded. During the same quarter last year, other comprehensive gain of S\$3.5 million was mainly due to net fair value gain from AFS financial assets and translation gain, offset by the reclassification of fair value gain to profit and loss following the sale of listed equities.

The Group recorded a total comprehensive loss of S\$7.8 million for the quarter ended 31 March 2016 compared to a total comprehensive income of S\$9.0 million in the same quarter last year.

## STATEMENT OF FINANCIAL POSITION

### **LOANS AND RECEIVABLES**

The loans and receivables as at 31 March 2016 was S\$55.5 million as compared to S\$57.7 million as at 31 December 2015.

### **AVAILABLE-FOR-SALE FINANCIAL ASSETS**

The AFS financial assets of S\$151.2 million as at 31 March 2016 comprised investments in listed equities, bonds, collateralised loan obligations and investment in Ascendos. The increase of S\$2.7 million from S\$148.5 million as at 31 December 2015 was mainly due to the net purchase of bonds offset by a decrease in fair valuation 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 2016 was S\$50.9 million as compared to S\$53.9 million as at 31 December 2015. It comprised investments in a portfolio of bonds. The decrease of S\$3.0 million during the quarter was due to a decrease in fair valuation of bonds.

### **CASH AND CASH EQUIVALENTS**

The higher cash and cash equivalents of S\$31.5 million as at 31 March 2016 as compared to S\$29.1 million as at 31 December 2015 was mainly due to a net cash inflow from interest income received.

## NET ASSET VALUE PER SHARE

The net asset value per share of the Group as at 31 March 2016 was 18.9 Singapore cents. If the FY2015 final dividend was declared in FY2015 instead of FY2016, the net asset value per share as at 31 December 2015 would have been 19.5 Singapore cents instead of 20.2 Singapore cents per share and the decrease in net asset value per share would be 3.08% for the quarter ended 31 March 2016.

## 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 2016 comprised the following assets:

### OPERATING LEASE ASSETS

#### Ascendos Investments Limited ("Ascendos")

The Group has a 40.56% interest in Ascendos, a Guernsey company. Ascendos holds 100% of Ascendos Rail Leasing S.à r.l. which currently owns and leases a portfolio of rail equipment, consisting of passenger train fleets, locomotives, and freight wagons in mainland Europe.

### LOAN PORTFOLIO AND SECURITISATION ASSETS

#### Residential Mortgage-Backed Securities ("RMBS")

The Group is invested in a portfolio of Australian RMBS, which are securitisation vehicles that hold Australian residential mortgage loans.

#### Collateralised Loan Obligation ("CLO") Securities

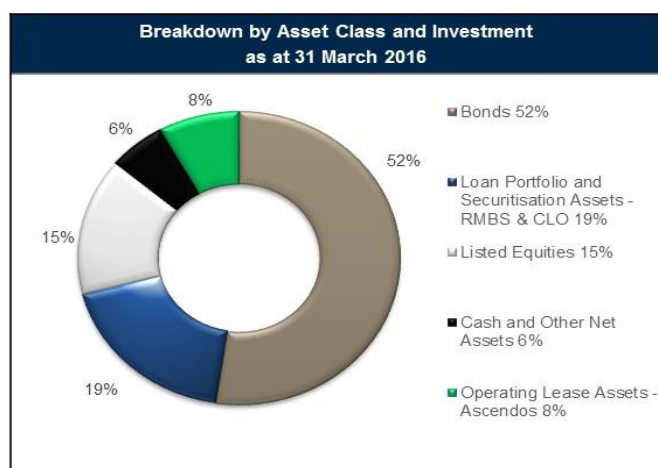
The Group is invested in a portfolio of USD and EUR denominated CLO. The CLO investments are in mezzanine and subordinated notes which are issued by securitisation vehicles that hold collateral consisting of mainly senior secured corporate loans.

### BONDS

The Group is invested in a portfolio of mainly high yield corporate bonds denominated in USD, SGD, EUR, AUD and CNH currencies.

### LISTED EQUITIES

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



Net asset value as at 31 March 2016 is S\$273.58 million

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

### MACROECONOMIC OUTLOOK

The global economy continues to expand but the outlook has weakened amid downside risks that include Brexit, low oil prices and the slowdown in China's economic growth. The International Monetary Fund ("IMF") cut its outlook for global economic growth in 2016 to 3.2%, down 0.2 percentage points from its forecast just a few months ago. It reduced its growth forecast for 2017 to 3.5% from 3.6%. IMF also cautioned that weak economic growth is fueling resentment against open borders and free trade and sparking a rise in nationalistic policies. It urged central bankers to keep stimulating their economies and called on government policymakers across the world to strengthen growth, in particular in the areas of fiscal policy and structural reforms.

In the US, the economy expanded 0.5% quarter-on-quarter ("q-o-q") in 1Q 2016 after growing 1.4% q-o-q in 4Q 2015. The ISM Manufacturing Purchasing Manager Index ("PMI") rose to 51.8 in March 2016 from 48.0 in December 2015. The ISM Non-Manufacturing PMI Index declined to 54.5 in March 2016 from 55.8 in December 2015. The US unemployment rate remained steady at 5.0% in March 2016. Meanwhile, headline inflation remained low with the Consumer Price Index ("CPI") gaining 0.9% year-on-year ("y-o-y") in March 2016 compared to 0.7% y-o-y in December 2015. The US Federal Reserve ("the Fed") decided to stay dovish, stating that volatility in financial markets could set back US growth and that it needed to 'proceed cautiously' in lifting rates. The Fed is concerned that global risks could derail the US recovery, in particular the risk of China's economy slowing and uncertainties around how China will handle the transition from exports to domestic sources of growth. The Fed also highlighted the risk of low commodity prices, and how a further decline in oil prices could adversely affect the global economy.

In the Eurozone, economic growth slowed as lackluster domestic demand was compounded by weak global demand. The Markit Eurozone Composite PMI, which tracks sentiment among purchasing managers at manufacturing and service sectors, dipped slightly to 53.1 in March 2016 from 54.3 in December 2015. The Eurozone unemployment rate improved from 10.4% in December 2015 to 10.2% in March 2016. The Consumer Confidence Indicator deteriorated from -5.7 in December 2015 to -9.7 in March 2016. Eurozone inflation remained weak, at -0.1% year-on-year ("y-o-y") in March 2016, compared to 0.2% y-o-y in December 2015. The European Central Bank ("ECB") announced fresh monetary policy easing in early March. The measures included expanding asset purchases to 80 billion euros a month from 60 billion euros, and the purchases now include non-bank investment grade corporate bonds. The deposit rate was cut by another 10 basis points to -0.4%. In an effort to ease pressure on banks and encourage lending, the ECB announced a new series of targeted longer term refinancing operations. Security concerns dominated the headlines towards the end of the quarter, following the terrorist attacks in Brussels in March. Concerns over a possible Brexit will likely weigh on sentiments in the near term.

In China, economic data was generally improving. Its Gross Domestic Product ("GDP") was 6.7% y-o-y in 1Q 2016, down marginally from 6.8% y-o-y recorded in 4Q15. The Caixin Manufacturing PMI reading improved from 48.2 in December 2015 to 49.7 in March 2016. The Caixin Services PMI increased from 50.2 in December 2015 to 52.2 in March 2016. Industrial output increased to 6.8% y-o-y in March 2016 from 5.9% y-o-y in December 2015. Private consumption slowed but remained resilient, with retail sales growing at 10.5% y-o-y in March 2016 compared to 11.1% y-o-y in December 2015. Exports improved sharply to 11.5% y-o-y in March compared to -1.4% y-o-y in December 2015, while import growth continued to stay weak at -7.6% y-o-y in March 2016, remaining at the same level of -7.6% y-o-y in December 2015. Inflation rose with the CPI at 2.3% y-o-y in March from 1.6% y-o-y in December 2015. The People's Bank of China ("PBOC") continued to cut benchmark interest rates and lower the reserve requirement ratio ("RRR") by 50 basis points in February. This was the 7th policy rate reduction and the 5th RRR cut since last November 2014, suggesting that authorities would continue to act to support growth. The drop in the country's foreign exchange reserves has stalled, partly due to tightening of capital control and a stable Renminbi ("RMB") on the back of USD weakness. Looking forward, China's real GDP growth is expected to continue to grind lower in 2016. The continued property construction slowdown and excess capacity overhang in the industrial and mining sectors will likely lead to further weakening of industrial demand and fixed asset investments. The Chinese government will increase its fiscal and monetary support and infrastructure investments, alongside more property policy easing. They have emphasized the need to push ahead supply-side structural reforms and said that the key tasks in 2016 include destocking, retiring excess capacity and deleveraging.

### Currency

In spite of depreciation pressures in January 2016 amid heightened global risk aversion, the nominal effective exchange rate (S\$NEER) Index has strengthened on broad-based USD weakness in the first quarter from 122.68 to 124.83. In 1Q16, SGD movements varied across major currency pairs. SGD appreciated against EUR by 1.08%, USD by 4.44%, and GBP by 7.56%, while over the same period, weakened against JPY by 2.36%, and stayed relatively flat against AUD.

Singapore's headline inflation eased for 17th straight month this March as latest CPI-All items inflation statistic from MTI came in at -1.0%, down from -0.8% in February. The key drivers are the steeper decline in private transport cost and lower accommodation costs. MAS Core Inflation, which excludes the cost of accommodation and private road transport, edged up to 0.6% in March from 0.5% in the previous month, primarily due to higher food inflation which rose to 2.2% from 2.0% in February. From the recent April Monetary Policy Statement, the Singapore economy is projected to expand at a slower pace for 2016 as compared to expectations laid out in the October 2015 policy review. Headline inflation is expected to remain negative throughout 2016, while the core inflation is anticipated to be milder than initially projected.

In the April meeting, MAS set the rate of the S\$NEER appreciation to zero, thereby switching the path for Singapore Dollar from a modest and gradual appreciation to a neutral policy stance. SGD shed some of its gains but within a week, quickly recovered against most major economies' currencies. If downside risks to growth and inflation heighten, the next monetary easing move could involve a downward adjustment of the S\$NEER policy band.

## TARGETED ASSET CLASSES

### Operating Lease Assets

Eurozone external trade volumes remained largely unchanged y-o-y in the first two months of 2016. Exports to the rest of the world decreased by 0.2% y-o-y and imports increased 0.4% y-o-y for the two months ending 29 Feb 2016. With fierce competition from road transport and the global trade outlook remaining modest, rail freight demand and equipment lease rates will continue to be under pressure and will continue to experience headwinds from market volatility in 2016.

### Loan Portfolio and Securitisation Assets

According to the CoreLogic RP Data Home Value Index for capital cities, house prices in Australia experienced a slight rebound of 1.6% q-o-q during the first quarter of 2016. Trailing 12-month gains in house prices slowed to 6.4% at the end of 1Q 2016, versus 7.4% at the end of 1Q 2015. The Australian unemployment rate decreased to 5.7% in March 2016 from 5.8% at the end of December 2015, while the Reserve Bank of Australia has left the benchmark cash rate unchanged at 2.0% at the end of March 2016. This will continue to provide support for housing prices going forward.

Prices of global corporate loans hit multi-year lows in February of 1Q 2016 caused by global recessionary fears and oil prices reaching lows of US\$26 per barrel on 11 February. Loan prices rallied towards the end of 1Q 2016 with oil prices rebounding to US\$41 per barrel before ending the quarter at US\$38, amid further monetary stimulus by the ECB and lower rate hike expectations from the US Fed. Moody's Global Speculative-Grade Corporate Default Rate increased to 3.8% at the end of 1Q 2016, up from 3.4% at the end of 2015. Highlighting the deepening stress in the commodity sector, Moody's forecasts that the global speculative-grade default rate will rise to 4.3% in 2Q 2016, surpassing its long-term average of 4% for the first time since August 2010.

### Bonds

The quarter saw an overall strength in the bond market with global credit rising largely driven by lower US Treasury yields. Dovish messages from the US Fed, coupled with accommodative actions from the ECB and BOJ provided the lift. Recent stabilization of the Chinese economy and RMB also aided the turnaround in investor sentiment. The recent rebound in oil and commodity prices contributed to the strong performance in bonds. In the near term, the Fed's dovish stance is likely to support bond prices.

The JP Morgan Asia Credit Index, which tracks the Asian bond markets, gained 3.55% in USD terms but declined 1.56% in SGD terms in 1Q 2016 due to the depreciation of USD against SGD.

### Listed Equities

The global equity markets followed a V-shape trajectory with stocks falling sharply to mid-February before rebounding towards the end of quarter. Growing concerns over the growth momentum in the major economies and the slump in oil price were the main contributing factors to the selloff in the equity markets. In response to the market turmoil, central bankers and government policymakers in major economies acted with further monetary easing and other supporting measures. The undertone of equity markets remains cautious and weak in the near term while investors are adopting a wait-and-see attitude for a clearer picture of the global growth outlook.

The MSCI World Index, which tracks the global equity markets, declined 5.8% in SGD terms in 1Q 2016.

### Summary

The global growth outlook for 2016 remains one of much uncertainty but a recovery, albeit a shallow one continues on track. Monetary policy divergence looks to be slowing. The ECB and BOJ are determined to continue their monetary easing, while the Fed has signaled a slower pace of rate increase. Although recent developments point to some

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For the quarter ended 31 March 2016

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improvements in sentiment, financial market volatility and risk aversion have risen, reflecting partly the reappraisal of potential growth.

In the near term, uncertainties surrounding Brexit, oil prices and China's growth prospects are important considerations weighing on investors.

In view of the potential risks and volatility in the market, the Company will remain cautious in its investment strategy.

<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 16 S\$'000	Group Year to date 31 Mar 16 S\$'000	Group Quarter ended 31 Mar 15 S\$'000	Group Year to date 31 Mar 15 S\$'000
Revenue				
Dividend income	203	203	551	551
Interest income	3,709	3,709	2,735	2,735
Net foreign exchange gains (net of hedges)	779	779	-	-
Net gain on sale of investments	640	640	3,582	3,582
Net (loss)/gain on financial assets designated as fair value through profit or loss	(1,780)	(1,780)	1,263	1,263
<b>Total revenue</b>	<b>3,551</b>	<b>3,551</b>	<b>8,131</b>	<b>8,131</b>
Expenses				
Management fees	(467)	(467)	(462)	(462)
Net foreign exchange losses	-	-	(1,592)	(1,592)
Finance costs	-	-	(1)	(1)
Other operating expenses	(477)	(477)	(444)	(444)
<b>Total expenses</b>	<b>(944)</b>	<b>(944)</b>	<b>(2,499)</b>	<b>(2,499)</b>
Impairment expense	(580)	(580)	-	-
Profit before tax	2,027	2,027	5,632	5,632
Income tax expense	(24)	(24)	(79)	(79)
<b>Profit after tax</b>	<b>2,003</b>	<b>2,003</b>	<b>5,553</b>	<b>5,553</b>
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Available-for-sale financial assets				
- Fair value (losses)/gains	(3,601)	(3,601)	3,510	3,510
- Reclassification to profit or loss	(276)	(276)	(4,460)	(4,460)
Currency translation differences arising from consolidation				
- (Losses)/Gains	(5,910)	(5,910)	4,435	4,435
<b>Other comprehensive income for the period after tax</b>	<b>(9,787)</b>	<b>(9,787)</b>	<b>3,485</b>	<b>3,485</b>
<b>Total comprehensive income for the period attributable to shareholders</b>	<b>(7,784)</b>	<b>(7,784)</b>	<b>9,038</b>	<b>9,038</b>
Basic earnings per share (cents per share)	0.14	0.14	0.42	0.42
Diluted earnings per share (cents per share)	0.14	0.14	0.42	0.42



## STATEMENT OF FINANCIAL POSITION

	Group As at 31 Mar 16 S\$'000	Group As at 31 Dec 15 S\$'000	Company As at 31 Mar 16 S\$'000	Company As at 31 Dec 15 S\$'000
<b>ASSETS</b>				
Non-current assets				
Investments in subsidiaries	-	-	120,048	121,631
Loans and receivables	55,505	57,727	-	-
Available-for-sale financial assets	109,078	96,425	87,151	74,355
Financial assets at fair value through profit or loss	50,949	53,946	50,949	53,946
	<u>215,532</u>	<u>208,098</u>	<u>258,148</u>	<u>249,932</u>
Current assets				
Cash and cash equivalents	31,526	29,110	21,506	13,228
Available-for-sale financial assets	42,135	52,083	38,093	46,674
Other assets	5,032	4,437	4,972	4,339
	<u>78,693</u>	<u>85,630</u>	<u>64,571</u>	<u>64,241</u>
<b>Total Assets</b>	<u>294,225</u>	<u>293,728</u>	<u>322,719</u>	<u>314,173</u>
<b>LIABILITIES</b>				
Intercompany payables	-	-	28,505	20,465
Other liabilities	20,643	1,514	20,632	1,494
<b>Total Liabilities</b>	<u>20,643</u>	<u>1,514</u>	<u>49,137</u>	<u>21,959</u>
<b>Net assets attributable to shareholders</b>	<u>273,582</u>	<u>292,214</u>	<u>273,582</u>	<u>292,214</u>
<b>EQUITY</b>				
Share capital	535,837	535,837	535,837	535,837
Capital reserve	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	(286)	3,591	(6,487)	(2,948)
Translation reserve	8,116	14,026	-	-
Accumulated losses	(204,239)	(195,394)	(189,922)	(174,829)
<b>Total Equity</b>	<u>273,582</u>	<u>292,214</u>	<u>273,582</u>	<u>292,214</u>
<b>Net asset value per share (S\$ per share)</b>	<u>0.189</u>	<u>0.202</u>	<u>0.189</u>	<u>0.202</u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Quarter ended 31 Mar 16 S\$'000	Group Year to date 31 Mar 16 S\$'000	Group Quarter ended 31 Mar 15 S\$'000	Group Year to date 31 Mar 15 S\$'000
<b>Cash flows from operating activities</b>				
Operating costs paid	(1,027)	(1,027)	(1,116)	(1,116)
Interest income received	4,135	4,135	2,828	2,828
Dividend income received	52	52	447	447
Settlement of forward contracts	76	76	-	-
Income tax paid	(24)	(24)	(79)	(79)
<b>Net cash inflow from operating activities</b>	<b>3,212</b>	<b>3,212</b>	<b>2,080</b>	<b>2,080</b>
<b>Cash flows from investing activities</b>				
Purchase of financial assets	(8,110)	(8,110)	(39,915)	(39,915)
Loan repayments received	354	354	642	642
Proceeds from disposal of financial assets	7,581	7,581	36,023	36,023
<b>Net cash outflow from investing activities</b>	<b>(175)</b>	<b>(175)</b>	<b>(3,250)</b>	<b>(3,250)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,037</b>	<b>3,037</b>	<b>(1,170)</b>	<b>(1,170)</b>
Cash and cash equivalents at beginning of period	29,110	29,110	31,252	31,252
Effects of exchange rate changes on cash and cash equivalents	(621)	(621)	326	326
<b>Cash and cash equivalents at end of period</b>	<b>31,526</b>	<b>31,526</b>	<b>30,408</b>	<b>30,408</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<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>

<b>Changes in shareholders' equity of the Group for the quarter ended 31 March 2015</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 2015	521,393	(65,846)	14,729	6,300	(191,854)	284,722
Total comprehensive income for the 1st quarter ended 31 March 2015	-	-	(950)	4,435	5,553	9,038
Transactions with equity holders in their capacity as equity holders:						
Dividends for the period	-	-	-	-	(10,009)	(10,009)
<b>Total equity at 31 March 2015</b>	<b>521,393</b>	<b>(65,846)</b>	<b>13,779</b>	<b>10,735</b>	<b>(196,310)</b>	<b>283,751</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 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>

<b>Changes in shareholders' equity of the Company for the quarter ended 31 March 2015</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 2015	521,393	(65,846)	581	(171,406)	284,722
Total comprehensive income for the 1st quarter ended 31 March 2015	-	-	6,168	2,870	9,038
Transactions with equity holders in their capacity as equity holders:					
Dividends for the period	-	-	-	(10,009)	(10,009)
<b>Total equity at 31 March 2015</b>	<b>521,393</b>	<b>(65,846)</b>	<b>6,749</b>	<b>(178,545)</b>	<b>283,751</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. On 28 April 2016, the Company released an interim dividend guidance of 0.75 Singapore cents per share for the financial year ending 31 December 2016. The interim dividend is expected to be declared in August 2016 and expected to be paid in October 2016.

<b>Ordinary Shares</b>	<b>Group 2016</b>	<b>Group 2015</b>
<u>Interim Dividend</u>		
Dividend per Share (cents)	-	0.75
Dividend amount (S\$'000)	-	10,432
<u>Final Dividend</u>		
Dividend per Share (cents)	-	0.75
Dividend amount (S\$'000)	-	10,848
<b>Annual Dividend (S\$'000)</b>	<b>-</b>	<b>21,280</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 2016.

Pursuant to the Scrip Dividend Scheme ("the Scheme") announced on 25 February 2016, on 27 April 2016 the Company issued and allotted 49,856,073 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 12.8 Singapore cents.

## NET ASSET VALUE

	<b>Group As at 31 Mar 16</b>	<b>Company As at 31 Mar 16</b>	<b>Group As at 31 Dec 15</b>	<b>Company As at 31 Dec 15</b>
Total net asset value (S\$'000)	273,582	273,582	292,214	292,214
Total number of ordinary shares in issue used in calculation of net asset value per share ('000)	1,446,434	1,446,434	1,446,434	1,446,434
Net asset value per ordinary share (S\$ per share)	0.189	0.189	0.202	0.202

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 2016 was 18.9 Singapore cents. If the FY2015 final dividend was declared in FY2015 instead of FY2016, the net asset value per share as at 31 December 2015 would have been 19.5 Singapore cents instead of 20.2 Singapore cents per share and the decrease in net asset value per share would be 3.08% for the period ended 31 March 2016.

## EARNINGS PER SHARE

	Group Quarter ended 31 Mar 16	Group Year to date 31 Mar 16	Group Quarter ended 31 Mar 15	Group Year to date 31 Mar 15
<b>Basic earnings per share</b>				
Earnings used in calculation of basic earnings per share (S\$'000)	2,003	2,003	5,553	5,553
Weighted average number of shares in issue used in calculation of basic earnings per share ('000)	1,446,434	1,446,434	1,334,473	1,334,473
Basic earnings per share (cents per share)	0.14	0.14	0.42	0.42
<b>Diluted earnings per share</b>				
Earnings used in calculation of diluted earnings per share (S\$'000)	2,003	2,003	5,553	5,553
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,446,434	1,446,434	1,334,473	1,334,473
Diluted earnings per share (cents per share) <sup>1</sup>	0.14	0.14	0.42	0.42

<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 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.

## 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 the attention of the Board of Directors of the Company which may render the financial statements for the quarter ended 31 March 2016 to be false or misleading in any material respect.

On behalf of the Board of Directors

Boon Swan Foo  
Chairman  
12 May 2016

Jason See Yong Kiat  
Manager Nominated Director  
12 May 2016