



GLOBAL INVESTMENTS LIMITED

SGX Quarterly Report 30 June 2017

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PERFORMANCE REVIEW

QUARTER ENDED 30 JUNE 2017

The Company and its subsidiaries ("the Group") reported a profit after tax of S\$4.8 million in 2Q 2017, 53.4% lower than the profit after tax of S\$10.3 million recorded in 2Q 2016 largely due to the sale of Ascendos Investments Limited ("Ascendos") in 2Q 2016. Total comprehensive income for the Group reduced by 12.7% to S\$6.9 million in 2Q 2017 from S\$7.9 million in 2Q 2016.

REVENUE

Revenue for the current quarter was lower at S\$9.8 million compared to S\$19.0 million in 2Q 2016 mainly due to the absence of gain from sale of Ascendos in the current quarter. After excluding the gain of S\$11.5 million from the sale of Ascendos, revenue for the current quarter would have been S\$2.3 million higher than the comparative quarter, due mainly to the net foreign exchange gain of S\$2.6 million in the current quarter.

EXPENSES

Total expenses for 2Q 2017 of S\$3.2 million was S\$0.6 million lower than the S\$3.8 million reported in 2Q 2016. The lower expenses was due to the absence of a net foreign exchange loss during the quarter partially offset by the accrual of incentive fees.

NET IMPAIRMENT EXPENSE

During the quarter, the Group recognised a net impairment expense of S\$1.8 million arising from its portfolio of listed equities and bonds, partially offset by the reversal of impairment following the sale of bonds and a bank contingent convertible. In 2Q 2016, the Group recognised an impairment expense of S\$4.8 million from its portfolio of listed equities.

OTHER COMPREHENSIVE INCOME

Other comprehensive income for the Group amounted to S\$2.1 million in 2Q 2017 compared to a loss of S\$2.4 million in 2Q 2016. This was mainly contributed by a net fair value gain of S\$2.1 million for available-for-sale ("AFS") financial assets and reclassification of fair value loss of S\$1.3 million to profit and loss following the sale and impairment of AFS financial assets. The positive movements in the AFS financial asset revaluation reserve were partially offset by a translation loss of S\$1.3 million. In the same period last year, the negative movement in the AFS financial asset revaluation reserve of S\$2.1 million was due to the reclassification of fair value gain following the sale of Ascendos offset by the reclassification of fair value loss arising from AFS listed equities to impairment expense. In addition, a translation loss of S\$0.3 million was recorded in the same period last year, resulting in a negative other comprehensive income of S\$2.4 million.

HALF YEAR ENDED 30 JUNE 2017

For the half year ended 30 June 2017, the Group's net profit was slightly lower at S\$11.6 million compared to S\$12.3 million recorded in 1H 2016. However, total comprehensive income jumped to S\$12.3 million in 1H 2017 from S\$0.1 million in 1H 2016 mainly due to positive movement in the AFS financial assets revaluation reserve.

REVENUE

The Group reported a lower revenue of S\$ 20.0 million for 1H 2017 compared to S\$21.7 million in 1H 2016 mainly due to the absence of gain from sale of Ascendos in the current year. The lower gain on sale of investments was offset by net

gain on financial assets designated as fair value through profit or loss of S\$1.6 million as well as net foreign exchange gain of S\$1.9 million in 1H 2017.

EXPENSES

Total expenses for 1H 2017 was S\$6.4 million compared to S\$4.0 million in 1H 2016. This was mainly due to 1H 2017 incentive fee of S\$4.2 million partially offset by an absence of net foreign exchange loss of S\$1.9 million in 1H 2017.

IMPAIRMENT EXPENSE

The Group recognised a net impairment expense of S\$1.9 million in 1H 2017 compared to S\$5.4 million in 1H 2016. Net impairment expense during 1H 2017 was mainly contributed by the impairment of listed equities and bonds, partially offset by the reversal of impairment following the sale of bonds and a bank contingent convertible. In 1H 2016, the Group recognised an impairment expense from its portfolio of listed equities.

OTHER COMPREHENSIVE INCOME

Other comprehensive income for 1H 2017 amounted to S\$0.7 million compared to a loss of S\$12.2 million in 1H 2016. This is mainly contributed by a net fair value gain of S\$7.8 million for AFS financial assets, partially offset by reclassification of fair value gain of S\$2.8 million to profit and loss following the sale and impairment of AFS financial assets and a translation loss of S\$4.4 million. In the same period last year, the loss of S\$12.2 million was mainly due an overall negative movement in the AFS financial asset revaluation reserve of S\$6.0 million as well as a translation loss of S\$6.2 million.

Total comprehensive income for the Group was S\$12.3 million in 1H 2017 versus S\$0.1 million in 1H 2016.

STATEMENT OF FINANCIAL POSITION

LOANS AND RECEIVABLES

The loans and receivables as at 30 June 2017 was relatively unchanged at S\$53.3 million compared to S\$54.0 million as at 31 December 2016. It comprised investments in Collateralised Loan Obligations ("CLO"), Asset Backed Securities ("ABS") and a bond.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

The AFS financial assets of S\$183.4 million as at 30 June 2017 comprised investments in listed equities, bonds and CLO. The increase of S\$9.5 million from S\$173.9 million as at 31 December 2016 was mainly due to the net purchase of investments as well as increase in valuation.

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\$74.6 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\$11.1 million during the period was due to the net purchase of investments as well as increase in valuation.

CASH AND CASH EQUIVALENTS

The lower cash and cash equivalents of S\$9.6 million as at 30 June 2017 compared to S\$21.9 million as at 31 December 2016 was mainly due to a net purchase of investments and cash outflow arising from cash dividend distributed.

NET ASSET VALUE PER SHARE

The net asset value per share of the Group as at 30 June 2017 was 19.84 Singapore cents after the payment of 2016 final dividend of 0.75 Singapore cents per share and taking into account the new shares issued pursuant to the Scrip Dividend Scheme. If the 2016 final dividend was paid and the shares relating to the Scrip Dividend Scheme had been issued before 31 December 2016, the net asset value per share as at 31 December 2016 would have been 19.08 Singapore cents instead of 20.03 Singapore cents per share and the increase in net asset value per share would be 3.98% for the half year ended 30 June 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 30 June 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

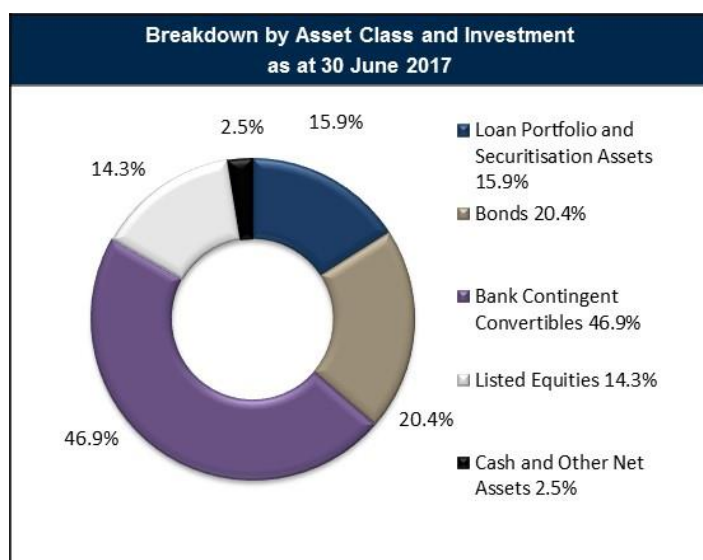
The Group is invested in a portfolio of mainly high yield bonds denominated in various currencies.

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, Europe and Australia.



Net asset value as at 30 June 2017 is S\$319.15 million

BUSINESS OUTLOOK¹

MACROECONOMIC OUTLOOK

The International Monetary Fund (“IMF”) maintained its projection for global economic growth for 2017 at 3.5% and its growth forecast for 2018 at 3.6% in the updated forecast released in July 2017 despite revising downwards its projection for US economic growth for 2017 and 2018 to 2.1% from an earlier forecast of 2.3% and 2.5% for 2017 and 2018 respectively. The change in US growth outlook was attributed to a less expansionary fiscal policy than previously anticipated. On the other hand, the IMF revised upwards its forecast for China’s economic growth for 2017 to 6.7% compared to 6.6% forecast in April, citing policy support, especially expansionary credit and public investment by the Chinese government. Although global oil prices have risen from their 2016 trough, oil prices came under pressure again due to record US crude inventories and potentially higher US crude production despite OPEC and non-OPEC members agreeing on the extension of output reduction in late May.

In the US, according to the advance estimate by the Bureau of Economic Analysis (“BEA”), Gross Domestic Product (“GDP”) increased 2.6% quarter-on-quarter (“q-o-q”) in 2Q after growing 1.2% q-o-q in 1Q 2017. The ISM Manufacturing Purchasing Manager Index (“PMI”) rose strongly to 57.8 in June from 57.2 in March 2017, while the ISM Non-Manufacturing PMI Index was at 57.4 in June compared to 55.2 in March 2017. Meanwhile, headline inflation fell due to a fall in energy prices. The Consumer Price Index (“CPI”) fell sharply to 1.6% year-on-year (“y-o-y”) in June compared to 2.4% y-o-y in March 2017. The US unemployment rate improved to 4.4% in June from 4.5% in March 2017 while the participation rate fell from 63% to 62.8%. 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 another 25 basis points at the June meeting. Fed officials continue to maintain its projection of three rate hikes in 2017 given improvements in business and consumer sentiment. At the same time, the Fed expects to begin implementing a balance sheet normalization programme this year.

In the Eurozone, economic data indicates positive growth but inflation fell due to a fall in energy prices. Based on preliminary estimates by the European Commission (“EC”), the Eurozone GDP rose 2.1% y-o-y in 2Q compared to 1.9% y-o-y in 1Q 2017. The Markit Eurozone Composite PMI, which tracks sentiment among purchasing managers within the manufacturing and service sectors, came in at 56.3 in June compared to 56.4 in March 2017. The Consumer Confidence Indicator improved significantly from -5.1 to -1.3. Inflation fell to 1.3% y-o-y in June from 1.5% y-o-y in March 2017. During its June policy meeting, the European Central Bank (“ECB”) kept interest rates unchanged despite an improved growth outlook and receding political uncertainty. Notwithstanding this, the ECB reiterated that a considerable degree of monetary accommodation is still needed for inflation dynamics to become durable and self-sustaining. In the UK, Prime Minister Theresa May called for a snap general election which backfired as her political party lost their majority in parliament. The Bank of England maintained its monetary policy stance in June in order to support growth.

In China, economic indicators were generally mixed. The country’s GDP grew at 6.9% y-o-y in 2Q, same as previous period, indicating that the economy has maintained its growth momentum. The Caixin Manufacturing PMI came in at 50.4 in June compared to 51.2 in March 2017, suggesting that investment activities continue to recover, albeit at a slower pace. The Caixin Services PMI fell to 51.6 in June compared to 52.2 in March 2017. Industrial output expanded strongly at 7.6% y-o-y in June, same as previous period. Private consumption remained relatively constant, with retail sales growing at 11.0% y-o-y in June compared to 10.9% in March 2017. Exports expanded 11.3% y-o-y in June, a slower pace compared to 16.4% y-o-y in March 2017, while import growth moderated to 17.2% y-o-y in June, down from 20.4% y-o-y in March 2017. The CPI rose to 1.5% y-o-y in June from 0.9% y-o-y in March 2017. The Renminbi (“RMB”) exchange rate has stabilized after the People’s Bank of China (“PBOC”) raised interest rates for a few of its open-market operations tools such as the medium-term lending facility (“MLF”) and standing lending facility (“SLF”), and introduced a counter cyclical adjustment factor for calculating the daily USD/CNY reference rate. The PBOC is expected to maintain a neutral monetary policy stance with some 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 Chinese government will continue to cut excess capacity and phase out backward capacity in such areas as steel, coal and coal-fired power generation.

Currency

The Singapore dollar nominal effective exchange rate (S\$NEER) Index fell from 125.26 on 31st March to 124.90 as of 30th June 2017. The weakness was largely attributed to the strengthening of the EUR and MYR. In 2Q 2017, SGD strengthened against USD by 1.47%, AUD by 0.75%, JPY by 1.23% and KRW by 3.53% while it weakened against EUR by 5.60%, GBP by 2.74% and CNY by 0.39%.

In its quarterly Recent Economic Developments in Singapore report released in early June, the Monetary Authority of Singapore (“MAS”) noted that growth of the economy is likely to expand at a slightly faster pace compared to 2016 due to improved external demand and global trade. According to Ministry of Trade and Industry (“MTI”), the Singapore economy grew by 2.9% y-o-y in 2Q 2017, faster than the 2.5% growth in the previous quarter. On a q-o-q seasonally adjusted annualized basis, real GDP rose by 2.2%, in stark contrast to the 2.1% contraction in 1Q 2017.

Singapore's headline inflation continued to be positive since December 2016, even as the June 2017 CPI-All Items inflation statistic from MTI falling to 0.5% y-o-y in June compared to 0.7% y-o-y in March 2017. MAS Core Inflation, which excludes the cost of accommodation and private road transport, rose 1.5% y-o-y in June compared to 1.2% y-o-y in March 2017, primarily due to higher services and food inflation. For the whole of 2017, the MAS has projected higher inflation compared to 2016. The projected pickup in inflation can be attributed to the positive contribution of energy-related components and the impact of administrative price increases, rather than generalised demand-induced price pressures. In the April meeting, MAS maintained its neutral policy stance on the S\$NEER.

TARGETED ASSET CLASSES

Loan Portfolio and Securitisation Assets

Global CLO issuance for 1H 2017 reached a high of US\$163 billion with refinancing and reset deals accounting for over 65% of volumes. 2Q 2017 saw a slowdown in the pace of CLO refinancing, but a pickup in resets from the last quarter. Long duration CLO papers saw spreads widening slightly from the end of 1Q 2017 due to increased supply from new issues and resets. In contrast, short duration papers continue to tighten as they became tougher to source due to lower refinancing supply and incremental reset issuances which removed supply from the short end of the curve.

The price of the Palmer Square CLO Debt Index, which tracks the value of US mezzanine CLO debt tranches, gained 1.52% in USD terms in 2Q 2017.

Bonds

During the quarter, positive economic data, continued accommodative monetary policy and still subdued inflation provided a healthy backdrop for bonds. Demand for risk assets continued to be strong, supported by corporate and emerging market bonds. The quarter saw doubts emerging around the Trump "reflation trade" with the administration still yet to make a meaningful fiscal policy announcement. Political risks remained a prominent theme with further controversies relating to President Trump. The sudden dismissal of the Head of the FBI in May raised questions of the possibility of impeachment. As political uncertainty in France and Italy faded, credit spreads narrowed. The moderate Emmanuel Macron won the French presidential and later parliamentary elections convincingly, while the possibility of an early election in Italy was ruled out.

The JP Morgan Asia Credit Index, which tracks the Asian bond markets, posted a gain of 1.22% in USD terms in 2Q 2017. The JP Morgan US Liquid Index, which tracks the investment grade US-Dollar denominated corporate bond market, rose 2.48% in USD terms in the same period.

Bank Contingent Convertibles ("CoCos")

The second quarter maintained the positive banking earnings outlook on the back of stable macroeconomic data alongside a US interest rate hike in June, supporting valuations of bank equities and Additional Tier-1 ("AT1s"). Issuers remained focused on enhancing their regulatory capital requirements while resolving legacy non-performing asset (NPA) issues, with Credit Suisse successfully completing their capital raise within the quarter.

This quarter observed the first instances of Spanish regulatory bail in of the CoCo instruments of Banco Popular after it was found to have suffered a liquidity issue whilst in the midst of its asset disposal activities to raise regulatory capital. This bank was subsequently sold to Banco Santander for a token €1 price, while necessitating an announced rights issue of Santander to ensure its own regulatory capital requirements were not adversely affected – due to be completed in 3Q 2017. Likewise in Italy, the liquidation of two smaller Italian banks – Banca Popolare di Vicenza and Veneto Banca – similarly saw their CoCo instruments bailed in by the Italian regulator before being split into separate Bad bank – Good bank entities.

The quarter also noted the first AT1 coupon omission amongst issuers after Bremer Landesbank's management board deemed it had insufficient Available Distributable Items (ADI) to meet their minimum requirements and elected to cancel all interest payments on its outstanding CoCo instruments.

Political risk eased slightly in the Bank CoCo market, with France's general election passing smoothly without major political upsets as viewed by the market. The loss of the Conservative majority after the UK's general election has provided an impetus for a potentially 'softer' negotiation stance with the EU on the activation of Article 50 exit negotiations, further reducing political uncertainty.

Overall, Bank CoCo market valuations proved resilient to these events, confirming a more stable and mature market than in 1H 2016, aided in part by regulatory developments since, and adequate Common Equity Tier 1 ("CET1") ratios at most issuing banks in Europe. A stronger volume q-o-q of primary issuances in 2Q 2017 led by Spanish, UK and Italian banks were well bid despite the various regulatory actions made against the weaker banking entities of various countries.

The Bank of America Merrill Lynch Contingent Capital Index, which track the global CoCo debt markets, gained 6.00% in USD terms in 2Q 2017.

Listed Equities

Global equity markets continued to advance driven by a strong corporate earnings season and generally positive economic data, while political risks eased in Europe. US equities gained despite some mixed economic data and political uncertainty over the ability of the US administration to push through its expansionary fiscal policies. Eurozone equities showed gains as well, mainly from positive economic data, improved corporate earnings and reduced political risks. Nevertheless gains were capped by concerns the ECB may start to tighten policy. Chinese stocks saw robust gains over the period as better economic data and a landmark decision in mid-June, by index provider MSCI, to include Chinese A-shares in a range of its benchmark indices supported sentiment.

The MSCI World Index, which tracks the global equity markets, climbed 3.38% in USD terms in 2Q 2017.

Summary

Despite improvements in the financial markets in the second quarter of 2017, the global macro environment remains challenging going into the second half of 2017. Economic policy under the new US administration continues to be uncertain. Geopolitical tension arising from the ongoing hard-line rhetoric between US and North Korea is likely to keep financial markets on edge and worried about the possible breakout of military conflict. In Europe, populist anti-establishment parties have so far performed worse than expected and failed to gain power in Austria, the Netherlands and France. The upcoming German election appears to be an innocuous contest between the two centrist mainstream parties. The strong victory by Emmanuel Macron's party in the general election tightened the French Treasury 10Y spreads further to 36 bps against 10Y German Bunds after widening to a 4-year high of 80 bps in February 2017 on heightened market tensions. Brent crude fell 9.84% over the quarter while the Bloomberg Commodity Index, which tracks global commodities fell 3.22% 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.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Quarter ended 30 Jun 17 S\$'000	Group Year to date 30 Jun 17 S\$'000	Group Quarter ended 30 Jun 16 S\$'000	Group Year to date 30 Jun 16 S\$'000
Revenue				
Dividend income	597	742	587	790
Interest income	4,575	8,788	4,030	7,739
Net foreign exchange gain (net of hedges)	2,598	1,853	-	-
Net gain on sale of investments	1,245	7,034	12,795	13,435
Net gain/(loss) on financial assets designated as fair value through profit or loss	819	1,567	1,563	(217)
Total revenue	9,834	19,984	18,975	21,747
Expenses				
Management fees	(591)	(1,122)	(486)	(953)
Incentive fees	(2,067)	(4,228)	-	-
Net foreign exchange loss (net of hedges)	-	-	(2,705)	(1,926)
Finance costs	-	-	(1)	(1)
Other operating expenses	(570)	(1,053)	(613)	(1,090)
Total expenses	(3,228)	(6,403)	(3,805)	(3,970)
Net impairment expense	(1,786)	(1,929)	(4,804)	(5,384)
Profit before tax	4,820	11,652	10,366	12,393
Income tax expense	(32)	(52)	(23)	(47)
Profit after tax	4,788	11,600	10,343	12,346
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Available-for-sale financial assets				
- Fair value gain/(loss)	2,121	7,827	(63)	(3,664)
- Reclassification to profit or loss	1,278	(2,754)	(2,095)	(2,371)
Currency translation differences arising from consolidation				
- Loss	(1,322)	(4,363)	(262)	(6,172)
Other comprehensive income for the period after tax	2,077	710	(2,420)	(12,207)
Total comprehensive income for the period attributable to shareholders	6,865	12,310	7,923	139
Basic earnings per share (cents per share)	0.30	0.74	0.70	0.84
Diluted earnings per share (cents per share)	0.30	0.74	0.70	0.84

STATEMENT OF FINANCIAL POSITION

	Group As at 30 Jun 17 S\$'000	Group As at 31 Dec 16 S\$'000	Company As at 30 Jun 17 S\$'000	Company As at 31 Dec 16 S\$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	-	-	92,506	92,435
Loans and receivables	53,301	53,957	53,301	53,957
Available-for-sale financial assets	136,622	128,122	136,622	128,122
Financial assets at fair value through profit or loss	74,568	63,002	74,568	63,002
	<u>264,491</u>	<u>245,081</u>	<u>356,997</u>	<u>337,516</u>
Current assets				
Cash and cash equivalents	9,591	21,889	9,492	20,687
Available-for-sale financial assets	46,816	45,799	46,816	41,884
Financial assets at fair value through profit or loss	-	490	-	490
Other assets	5,220	3,230	5,198	3,195
	<u>61,627</u>	<u>71,408</u>	<u>61,506</u>	<u>66,256</u>
Total Assets	<u>326,118</u>	<u>316,489</u>	<u>418,503</u>	<u>403,772</u>
LIABILITIES				
Intercompany payables	-	-	92,386	87,285
Other liabilities	6,968	5,718	6,967	5,716
Total Liabilities	<u>6,968</u>	<u>5,718</u>	<u>99,353</u>	<u>93,001</u>
Net assets attributable to shareholders	<u>319,150</u>	<u>310,771</u>	<u>319,150</u>	<u>310,771</u>
EQUITY				
Share capital	557,139	549,432	557,139	549,432
Capital reserve	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	18,069	12,996	18,003	10,357
Translation reserve	10,230	14,593	-	-
Accumulated losses	(200,442)	(200,404)	(190,146)	(183,172)
Total Equity	<u>319,150</u>	<u>310,771</u>	<u>319,150</u>	<u>310,771</u>
Net asset value per share (S\$ per share)	<u>0.1984</u>	<u>0.2003</u>	<u>0.1984</u>	<u>0.2003</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Quarter ended 30 Jun 17 S\$'000	Group Year to date 30 Jun 17 S\$'000	Group Quarter ended 30 Jun 16 S\$'000	Group Year to date 30 Jun 16 S\$'000
Cash flows used in/from operating activities				
Operating costs paid	(1,571)	(3,167)	(1,222)	(2,249)
Interest income received	4,272	8,560	3,410	7,545
Dividend income received	432	458	427	479
Settlement of forward contracts	(1,657)	(2,129)	2,389	2,465
Income tax paid	(35)	(35)	(23)	(47)
Net cash inflow from operating activities	1,441	3,687	4,981	8,193
Cash flows used in/from investing activities				
Purchase of financial assets	(24,041)	(64,143)	(51,347)	(59,457)
Loan repayments received	1,071	1,176	2,992	3,346
Proceeds from disposal of financial assets	14,664	50,991	38,818	46,399
Net cash outflow used in investing activities	(8,306)	(11,976)	(9,537)	(9,712)
Cash flows used in financing activities				
Dividends paid	(3,931)	(3,931)	(4,466)	(4,466)
Net cash flows used in financing activities	(3,931)	(3,931)	(4,466)	(4,466)
Net decrease in cash and cash equivalents	(10,796)	(12,220)	(9,022)	(5,985)
Cash and cash equivalents at beginning of period	20,344	21,889	31,526	29,110
Effects of exchange rate changes on cash and cash equivalents	43	(78)	(710)	(1,331)
Cash and cash equivalents at end of period	9,591	9,591	21,794	21,794

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity of the Group for the quarter and half year ended 30 June 2017	Share capital S\$'000	Capital reserve¹ 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
Total comprehensive income for the 2nd quarter ended 30 June 2017	-	-	3,399	(1,322)	4,788	6,865
Transactions with equity holders in their capacity as equity holders:						
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	7,707	-	-	-	-	7,707
Total equity at 30 June 2017	557,139	(65,846)	18,069	10,230	(200,442)	319,150

Changes in shareholders' equity of the Group for the quarter and half year ended 30 June 2016	Share capital S\$'000	Capital reserve¹ 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 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)
Total equity at 31 March 2016	535,837	(65,846)	(286)	8,116	(204,239)	273,582
Total comprehensive income for the 2nd quarter ended 30 June 2016	-	-	(2,158)	(262)	10,343	7,923
Transactions with equity holders in their capacity as equity holders:						
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	6,381	-	-	-	-	6,381
Total equity at 30 June 2016	542,218	(65,846)	(2,444)	7,854	(193,896)	287,886

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 and half year ended 30 June 2017	Share capital S\$'000	Capital reserve 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
Total comprehensive income for the 2nd quarter ended 30 June 2017	-	-	3,396	3,469	6,865
Transactions with equity holders in their capacity as equity holders:					
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	7,707	-	-	-	7,707
Total equity at 30 June 2017	557,139	(65,846)	18,003	(190,146)	319,150

Changes in shareholders' equity of the Company for the quarter and half year ended 30 June 2016	Share capital S\$'000	Capital reserve S\$'000	Available-for-sale financial assets revaluation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
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)
Total equity at 31 March 2016	535,837	(65,846)	(6,487)	(189,922)	273,582
Total comprehensive income for the 2nd quarter ended 30 June 2016	-	-	5,322	2,601	7,923
Transactions with equity holders in their capacity as equity holders:					
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	6,381	-	-	-	6,381
Total equity at 30 June 2016	542,218	(65,846)	(1,165)	(187,321)	287,886

¹ Refer to note on page 12.

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

The Company has declared an interim dividend of 0.65 Singapore cents per share for the financial year ending 31 December 2017 amounting to S\$10.45 million. This dividend will be paid on or about 16 October 2017.

For the financial year ending 31 December 2017, the Company has obtained the Inland Revenue Authority of Singapore's confirmation that it is tax resident of Singapore.

Dividends paid in 2017 are exempt from tax (one-tier) when received in the hands of Shareholders.

Ordinary Shares	Group 2017	Group 2016
<u>Interim Dividend</u>		
Dividend per Share (cents)	0.65	0.75
Dividend amount (S\$'000)	10,455	11,222
<u>Final Dividend</u>		
Dividend per Share (cents)	-	0.75
Dividend amount (S\$'000)	-	11,638
Total Dividend (S\$'000)	10,455	22,860

CHANGES IN SHARE CAPITAL

The movement in the number of issued and fully paid-up ordinary shares for the half year ended 30 June 2017 is as follows:

Company	Number of shares '000	Share capital at par value S\$'000	Share premium reserve S\$'000	Share capital S\$'000
Issued and fully paid shares				
Opening balance as at 1 January 2017	1,551,775	15,518	533,914	549,432
Movements in period to 30 June 2017	56,675	567	7,140	7,707
Total share capital as at 30 June 2017	1,608,450	16,085	541,054	557,139

On 26 April 2017, the Company issued and allotted 56,674,853 new ordinary shares at an issue price of 13.6 Singapore cents per share to eligible shareholders who have elected to participate in the Scrip Dividend Scheme.

NET ASSET VALUE

	Group As at 30 Jun 17	Company As at 30 Jun 17	Group As at 31 Dec 16	Company As at 31 Dec 16
Total net asset value (S\$'000)	319,150	319,150	310,771	310,771
Total number of ordinary shares in issue used in calculation of net asset value per share ('000)	1,608,450	1,608,450	1,551,775	1,551,775
Net asset value per ordinary share (S\$ per share)	0.1984	0.1984	0.2003	0.2003

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 30 June 2017 was 19.84 Singapore cents after the payment of 2016 final dividend of 0.75 Singapore cents per share and taking into account the new shares issued pursuant to the Scrip Dividend Scheme. If the 2016 final dividend was paid and the shares relating to the Scrip Dividend Scheme had been issued before 31 December 2016, the net asset value per share as at 31 December 2016 would have been 19.08 Singapore cents instead of 20.03 Singapore cents per share and the increase in net asset value per share would be 3.98% for the half year ended 30 June 2017.

EARNINGS PER SHARE

	Group Quarter ended 30 Jun 17	Group Year to date 30 Jun 17	Group Quarter ended 30 Jun 16	Group Year to date 30 Jun 16
Basic earnings per share				
Earnings used in calculation of basic earnings per share (S\$'000)	4,788	11,600	10,343	12,346
Weighted average number of shares in issue used in calculation of basic earnings per share ('000)	1,592,880	1,572,441	1,482,045	1,464,240
Basic earnings per share (cents per share)	0.30	0.74	0.70	0.84
Diluted earnings per share				
Earnings used in calculation of diluted earnings per share (S\$'000)	4,788	11,600	10,343	12,346
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,592,880	1,572,441	1,482,045	1,464,240
Diluted earnings per share (cents per share) ¹	0.30	0.74	0.70	0.84

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 the attention of the Board of Directors of the Company which may render the financial statements for the quarter ended 30 June 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 August 2017

Jason See Yong Kiat
Manager Nominated Director
11 August 2017