



# GLOBAL INVESTMENTS LIMITED

## **SGX Quarterly Report 30 June 2015**

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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.

STAM, as manager of GIL is entitled to fees for so acting. STAM 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 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 30 JUNE 2015

The Company and its subsidiaries (“the Group”) reported a profit after tax of S\$6.8 million in 2Q 2015 compared to S\$8.6 million in 2Q 2014.

#### REVENUE

Revenue was S\$11.2 million in 2Q 2015 compared to S\$8.2 million in 2Q 2014. The gain on sale of investments, mainly from Hong Kong and China listed equities, contributed S\$8.7 million to revenue in the current quarter, versus S\$1.4 million in the same quarter last year. The increase was offset partially by fair value loss on financial assets designated as fair value through profit or loss of S\$2.0 million. In addition, interest income also declined to S\$3.4 million in the current quarter from S\$4.5 million in the comparative quarter.

#### EXPENSES

Total expenses for 2Q 2015 was S\$4.4 million compared to S\$1.5 million in 2Q 2014. The higher expenses during the current quarter was due mainly to the higher incentive fee of S\$2.8 million as well as net foreign exchange loss of S\$0.4 million arising mainly from the weakening of Australian dollar.

#### REVERSAL OF IMPAIRMENT AND SHARE OF PROFIT OF ASSOCIATED COMPANY

As Ascendos Investments Limited (“Ascendos”) was reclassified from an associated company to an available-for-sale (“AFS”) financial asset in 4Q 2014, no share of profit from associated company was recorded during the current quarter compared to the S\$1.0 million recorded in 2Q 2014. The absence of S\$1.2 million reversal of impairment effected in 2Q 2014 has also contributed to the reduced profit after tax for the current quarter.

#### OTHER COMPREHENSIVE LOSS

Other comprehensive loss for the Group amounted to S\$6.1 million in 2Q 2015 compared to a loss of S\$1.5 million in 2Q 2014. The negative movement of S\$5.3 million in the AFS revaluation reserve as a result of the reclassification of fair value gain to profit or loss following the sale of listed equities was cushioned by a net fair value gain of S\$1.5 million from AFS financial assets. A translation loss of S\$2.3 million was recorded in the current quarter as well following the weakening of USD against SGD. In the same period last year, other comprehensive loss was due to the translation loss recognised.

### HALF YEAR ENDED 30 JUNE 2015

For the half year ended 30 June 2015, the Group’s net profit was S\$12.3 million compared to S\$16.8 million for 1H 2014.

#### REVENUE

The Group’s revenue of S\$19.4 million for 1H 2015 was S\$3.7 million higher than 1H 2014. The gain on sale of investments contributed S\$12.3 million in 1H 2015, an increase of 2.8 times from the S\$3.2 million reported in 1H 2014. The increase was offset partially by fair value loss on financial assets designated as fair value through profit or loss of S\$0.7 million, lower interest income and the absence of net foreign exchange gains in 1H 2015.

#### EXPENSES

Total expenses for 1H 2015 was S\$6.9 million compared to S\$1.9 million in 1H 2014. This was mainly due to incentive fee of S\$2.8 million during the current period as well as net foreign exchange loss of S\$2.0 million.

#### **REVERSAL OF IMPAIRMENT AND SHARE OF PROFIT OF ASSOCIATED COMPANY**

The absence of the share of profit from associated company of S\$2.2 million following the reclassification of Ascendos from an associated company to an AFS financial asset in the current period and the reversal of impairment of S\$1.2 million in 1H 2014 further contributed to a lower profit after tax of S\$12.3 million for 1H 2015.

#### **OTHER COMPREHENSIVE LOSS**

Other comprehensive loss for 1H 2015 amounted to S\$2.6 million compared to S\$4.9 million in 1H 2014. The negative movement of S\$9.7 million in the AFS revaluation reserve as a result of the reclassification of fair value gain to profit or loss following the sale of listed equities was cushioned by a fair value gain of S\$5.0 million from AFS financial assets as well as a translation gain of S\$2.2 million following the strengthening of USD against SGD. In the same period last year, other comprehensive loss was due to the translation loss recognised and negative movement in the AFS revaluation reserve as a result of the reclassification of fair value gain to profit or loss following the sale of listed equities.

Total comprehensive income was S\$9.7 million in 1H 2015 versus S\$11.9 million in 1H 2014.

#### **STATEMENT OF FINANCIAL POSITION**

##### **LOANS AND RECEIVABLES**

The loans and receivables as at 30 June 2015 was S\$68.5 million as compared to S\$69.6 million as at 31 December 2014.

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

The AFS financial assets of S\$154.2 million as at 30 June 2015 comprised investments in listed equities, bonds, collateralised loan obligations and investment in Ascendos. The increase of S\$20.0 million from S\$134.2 million as at 31 December 2014 was mainly due to the net purchase of bonds during the period.

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

The financial assets at fair value through profit or loss as at 30 June 2015 was S\$46.1 million as compared to S\$49.6 million as at 31 December 2014. It comprised investments in a portfolio of bonds.

##### **CASH AND CASH EQUIVALENTS**

The lower cash and cash equivalents of S\$23.6 million as at 30 June 2015 as compared to S\$31.3 million as at 31 December 2014 was mainly due to a net purchase of investments.

##### **NET ASSET VALUE PER SHARE**

The net asset value per share of the Group as at 30 June 2015 was 21.0 Singapore cents after the payment of 2014 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 2014 final dividend was paid and the shares relating to the Scrip Dividend Scheme had been issued before 31 December 2014, the net asset value per share as at 31 December 2014 would have been 20.3 Singapore cents instead of 21.3 Singapore cents per share and the increase in net asset value per share would be 3.4% for the half year ended 30 June 2015.

## 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 2015 comprised the following assets:

### OPERATING LEASES

#### 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

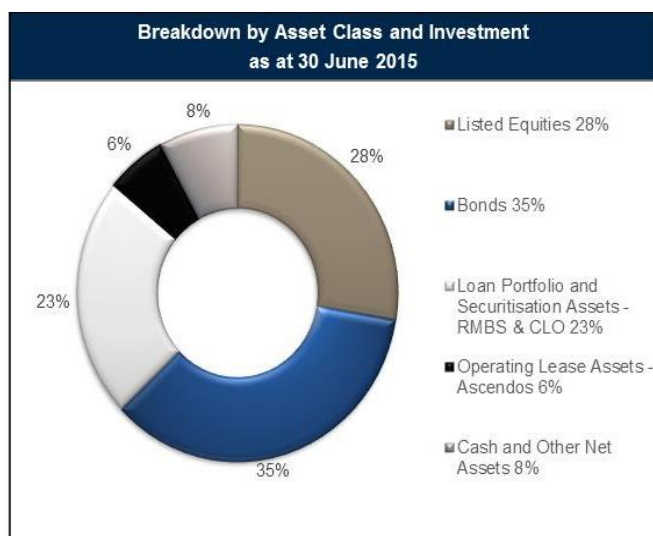
The Group is invested in a portfolio of USD and EUR denominated CLO. The CLO investments are in mezzanine and subordinated notes which are issued by securitisation vehicles that hold collateral consisting of mainly senior secured corporate loans.

### BONDS

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

### LISTED EQUITIES

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



Subsequent to 30 June 2015, the Company sold off its Shanghai listed equities and the outstanding positions were less than S\$1.00 million by 7 July 2015. As at 31 July 2015, carrying value of the equity portfolio was reduced to approximately S\$62.36 million.

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

### MACROECONOMIC OUTLOOK

The International Monetary Fund (“IMF”) reduced its outlook for global economic growth in 2015 to 3.3% from the earlier forecast of 3.5%, citing a setback to activity in the first quarter of 2015, mostly in North America. However, the IMF believes that there will be a gradual acceleration in the economic activity in developed economies in 2016 as it expects higher growth of 3.8% from the earlier forecast of 3.7%, driven by easy financial conditions, lower fuel prices and improving labor market conditions. The G20 finance ministers and central bank governors cautioned that currency volatility and high debt levels threaten to undermine an already uneven global economic recovery, whereby the improvement in near term prospects in advanced economies contrast weaker-than-expected growth in emerging economies. In the advanced economies, accommodative monetary policies are still needed in order to support economic recovery.

In the US, GDP growth has been encouraging in recent months. The economy expanded 2.3% quarter-on-quarter (“q-o-q”) in 2Q 2015 after growing only 0.2% q-o-q in 1Q 2015. The ISM Manufacturing Purchasing Manager Index (“PMI”) expanded to 53.5 in June 2015 from 51.5 in March 2015. Unemployment rate improved steadily, declining to 5.3% in June 2015 from 5.5% in March 2015. The monthly change in total nonfarm payrolls improved as well, from 119,000 in March 2015 to 223,000 in June 2015. However, there are no signs of significant upturn in inflation with consumer price inflation rising only 0.44% month-on-month (“m-o-m”) in May 2015 compared to 0.24% m-o-m in March 2015. The housing market is showing signs of a pickup, with new and existing home sales rising. Mortgage approvals are rising again and higher wage growth and consumer confidence should support this segment of the economy. Overall, macroeconomic data picked up towards the end of the second quarter, adding confidence to the view that the first quarter contraction in GDP was a one-off.

Economic data in the Eurozone largely showed improvement over the quarter. The Markit Eurozone Composite PMI, which tracks sentiment among purchasing managers, rose slightly to 54.2 in June 2015 from 54.0 in March 2015. Unemployment rate improved slightly from 11.2% in March 2015 to 11.1% in both April and May 2015. However, the Consumer Confidence Indicator deteriorated slightly to -5.6 in June 2015 from -3.7 in March 2015. Eurozone inflation was low but in positive territory during the quarter, at 0.2% in June, 0.3% in May and 0.0% in April. Greece dominated the headlines amid concerns over whether the Syriza-led government would agree to make the reforms needed to obtain further funds following the 30 June expiry of the existing bailout program. After months of increasingly bitter disagreement, Greece capitulated and its parliament approved actions demanded by creditors for a third bailout package of up to 85 billion euros. Greece accepted most of the austerity measures, including an increase in sales taxes, pension cuts, requirements for steep spending cuts and sales of vast amounts of state assets along with demand for rapid legislation to make sweeping changes in the judicial system, labour laws and regulations. The situation in Greece remains uncertain as questions have been raised about the stability of Tsipras’s government after more than a quarter of his own lawmakers rebelled against the bailout package and street protests surfaced. The outcome of rescuing Greece from economic and financial collapse will have important implications to the Eurozone and the outcome of elections in Spain and Italy which are approaching in the next couple of years.

China’s economic growth proved resilient in the second quarter as policy makers stepped up support measures. Gross domestic product rose 7.0% year-on-year (“y-o-y”) in 2Q 2015, unchanged from the first quarter and staying on track to hit the government’s 7.0% target for the year. On a quarter-on-quarter annualized basis, the economy grew 6.9%, up from 5.7% in 1Q 2015. The HSBC Manufacturing PMI reading dipped from 49.4 in March to 48.9 in April before recovering steadily to 49.2 in May and 49.4 in June 2015. Industrial output, the main monthly measure of growth, came in at 6.8% y-o-y in June 2015, up from 5.6% in March. Consumption showed signs of resilience, with retail sales accelerating to 10.6% y-o-y in June from 10.2% in March 2015. Exports limped back into growth at the end of the quarter, with a 2.8% y-o-y expansion in June compared to -15.0% y-o-y in March 2015. However, import growth remained weak at -6.0% y-o-y in June, though improved from -12.7% y-o-y in March 2015. Inflation remained subdued. The CPI was 1.4% y-o-y in June, unchanged from March 2015. Low inflation is partly a register of weak demand and overcapacity, and partly a reflection of low commodity prices. Clouding the economic outlook is the stock market rout that triggered aggressive policy response. Looking beyond the recent events in the stock market, China is still facing longer-term challenges of deleveraging and rebalancing. However, limited external indebtedness, a strong current account position and huge foreign reserves all suggest that policymakers have a number of tools to tackle credit problems. It is expected to see continued stimulus by the government in the second half of the year. A further cut in interest rates is anticipated before the end of the year to help lower the cost of debt servicing and reignite incentives to invest.

## TARGETED ASSET CLASSES

### Operating Lease Assets

In Europe, lease rates for freight equipment in the second quarter have remained resilient. Euro area external trade volumes rose in the first two months of 2Q 2015, with exports increasing 5.7% y-o-y and imports increasing 1.4% y-o-y. This has provided support for freight equipment lease rates. Demand for freight transport is expected to improve in the second half of the year with increased manufacturing and export activity supported by the weaker Euro currency.

### Loan Portfolio and Securitisation Assets

Australia's residential property values continued to increase in 2Q 2015. According to the CoreLogic RP Data Home Value Index for capital cities, house prices rose 2.0% during the second quarter of 2015 ending 30 June. Following further cuts to the benchmark cash rate by the Reserve Bank of Australia to 2.0% in May, the trailing 12-month housing price growth rate for capital cities at the end of June rose to 9.8% versus 7.4% at the end of 1Q 2015. This is comparable to the 10.1% 12-month growth rate at the end of June 2014. Unemployment fell slightly from 6.1% to 6.0% during 2Q 2015. Continued low interest rates will lend support to housing prices in the second half of 2015.

Prices of global corporate loans declined in 2Q 2015, with uncertainties over the Greek debt situation, slumping commodity prices, and fears over weakness in oil prices weighing on sentiment. Global CLO issuance remains strong, supporting loan demand. An improving US economy and the low interest rate environment will continue to contribute to modest default rates. Moody's Global Speculative-Grade Corporate Default Rate ended 2Q 2015 unchanged from last quarter at 2.3%. Moody's expectation of the default rate at the end of 2015 remains steady at 2.6%.

### Bonds

The second quarter saw bond yields climbing as statements from the US Fed convinced investors that rate hikes are expected in 2015. In the semi-annual congressional testimony, the Federal Reserve ("the Fed") Chair Janet Yellen delivered an upbeat message on the economic outlook and stated that the Fed is likely to raise its interest rate this year, assuming its forecasts for stronger and lower unemployment are realized. She emphasized that the timing of liftoff is less important than the subsequent pace of increases, which she said would be gradual and the monetary policy would probably remain highly accommodative for quite some time.

The JP Morgan Asia Credit Index, which tracks the Asian bond markets, declined 2.09% in SGD terms in 2Q 2015. The JP Morgan US Liquid Index, which tracks the investment grade dollar denominated corporate bond market, declined 5.80% in SGD terms in the same period.

### Listed Equities

Global equity market was volatile in 2Q 2015 and ended weaker towards the end of the quarter, owing mainly to uncertainty in Greece and the selloff in Chinese equities. In the short term, cautious mood is likely to prevail in the equity markets as investors would stay in the sidelines to monitor further developments in Greece and the broader Eurozone area as well as China's financial markets. A range of market-supporting policies (banning of selling from large stakeholders for a period of six months, suspending IPOs, relaxing the forced selling requirements of margin positions, among others) appeared to have reduced the sell-off.

The MSCI World Index, which tracks the global equity markets, declined 2.17% in SGD terms in 2Q 2015.

### Summary

The global economy remains too reliant on monetary policy to boost demand in the absence of more lasting structural reforms. The persistence of low rates since the aftermath of the global financial crisis in 2007-08, as many countries continue to ease or delay tightening, has contributed to strong performance in most financial markets. However, it has also created a risk of financial instability which would in turn harm the global economy's ability to grow over the long term. With the US's intention to raise rates by the end of this year coupled with continued weakness in commodity and oil prices financial markets are susceptible to disruptive capital shifts which could threaten global economic growth recovery.

In view of the potential risks and volatility in the currency and financial market, the Company will be 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 30 Jun 15 S\$'000	Group Year to date 30 Jun 15 S\$'000	Group Quarter ended 30 Jun 14 S\$'000	Group Year to date 30 Jun 14 S\$'000
Revenue				
Dividend income	1,073	1,624	1,542	1,768
Interest income	3,406	6,141	4,472	8,157
Net foreign exchange gains	-	-	60	1,276
Net gain on sale of investments	8,741	12,323	1,363	3,247
Net (loss)/gain on financial assets designated as fair value through profit or loss	(1,999)	(736)	785	1,221
Total revenue	11,221	19,352	8,222	15,669
Expenses				
Management fees	(526)	(988)	(473)	(879)
Incentive fees	(2,840)	(2,840)	(587)	9
Net foreign exchange losses	(418)	(2,010)	-	-
Finance costs	-	(1)	(1)	(1)
Other operating expenses	(597)	(1,041)	(485)	(1,009)
Total expenses	(4,381)	(6,880)	(1,546)	(1,880)
Net reversal impairment	-	-	1,204	1,204
Share of profit of associate (net of tax)	-	-	1,009	2,183
Profit before tax	6,840	12,472	8,889	17,176
Income tax expense	(90)	(169)	(264)	(367)
Profit after tax	6,750	12,303	8,625	16,809
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss				
Available-for-sale financial assets				
- Fair value gains	1,460	4,970	3,346	1,878
- Reclassification to profit or loss	(5,252)	(9,712)	(3,827)	(5,551)
Currency translation differences arising from consolidation				
- (Losses)/gains	(2,280)	2,155	(998)	(1,266)
Other comprehensive loss for the period after tax	(6,072)	(2,587)	(1,479)	(4,939)
Total comprehensive income for the period attributable to shareholders	678	9,716	7,146	11,870
Basic earnings per share (cents per share)	0.49	0.91	0.68	1.37
Diluted earnings per share (cents per share)	0.49	0.91	0.68	1.37



## STATEMENT OF FINANCIAL POSITION

	Group As at 30 Jun 15 S\$'000	Group As at 31 Dec 14 S\$'000	Company As at 30 Jun 15 S\$'000	Company As at 31 Dec 14 S\$'000
<b>ASSETS</b>				
Non-current assets				
Investments in subsidiaries	-	-	108,275	110,100
Loans and receivables	68,514	69,584	-	-
Available-for-sale financial assets	69,677	35,692	51,734	15,117
Financial assets at fair value through profit or loss	46,059	49,635	46,059	49,635
	<u>184,250</u>	<u>154,911</u>	<u>206,068</u>	<u>174,852</u>
Current assets				
Cash and cash equivalents	23,591	31,252	22,383	25,809
Available-for-sale financial assets	84,565	98,503	76,229	84,253
Other assets	8,757	1,403	8,688	1,372
	<u>116,913</u>	<u>131,158</u>	<u>107,300</u>	<u>111,434</u>
Total Assets	<u>301,163</u>	<u>286,069</u>	<u>313,368</u>	<u>286,286</u>
<b>LIABILITIES</b>				
Intercompany payables	-	-	17,325	298
Other liabilities	9,404	1,347	4,284	1,266
Total Liabilities	<u>9,404</u>	<u>1,347</u>	<u>21,609</u>	<u>1,564</u>
Net assets attributable to shareholders	<u>291,759</u>	<u>284,722</u>	<u>291,759</u>	<u>284,722</u>
<b>EQUITY</b>				
Share capital	528,723	521,393	528,723	521,393
Capital reserve	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation Reserve	9,987	14,729	3,399	581
Translation reserve	8,455	6,300	-	-
Accumulated losses	(189,560)	(191,854)	(174,517)	(171,406)
Total Equity	<u>291,759</u>	<u>284,722</u>	<u>291,759</u>	<u>284,722</u>
Net asset value per share (S\$ per share)	<u>0.210</u>	<u>0.213</u>	<u>0.210</u>	<u>0.213</u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Quarter ended 30 Jun 15 S\$'000	Group Year to date 30 Jun 15 S\$'000	Group Quarter ended 30 Jun 14 S\$'000	Group Year to date 30 Jun 14 S\$'000
<b>Cash flows from operating activities</b>				
Operating costs paid	(1,340)	(2,456)	(474)	(3,429)
Interest income received	3,019	5,847	4,540	8,098
Dividend income received	903	1,350	1,636	2,194
Income tax paid	(76)	(155)	(215)	(318)
<b>Net cash inflow from operating activities</b>	<b>2,506</b>	<b>4,586</b>	<b>5,487</b>	<b>6,545</b>
<b>Cash flows from investing activities</b>				
Purchase of financial assets	(65,555)	(105,470)	(28,551)	(46,945)
Loan repayments received	4,608	5,250	569	992
Proceeds from disposal of financial assets	54,689	90,712	16,053	51,923
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(6,258)</b>	<b>(9,508)</b>	<b>(11,929)</b>	<b>5,970</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(2,679)	(2,679)	(6,140)	(6,140)
<b>Net outflow from financing activities</b>	<b>(2,679)</b>	<b>(2,679)</b>	<b>(6,140)</b>	<b>(6,140)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(6,431)</b>	<b>(7,601)</b>	<b>(12,582)</b>	<b>6,375</b>
Cash and cash equivalents at beginning of period	30,408	31,252	39,413	20,346
Effects of exchange rate changes on cash and cash equivalents	(386)	(60)	(94)	16
<b>Cash and cash equivalents at end of period</b>	<b>23,591</b>	<b>23,591</b>	<b>26,737</b>	<b>26,737</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity of the Group for the quarter and half year ended 30 June 2015	Share capital S\$'000	Capital reserve <sup>1</sup> 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 2015	521,393	(65,846)	14,729	6,300	(191,854)	284,722
Total comprehensive (loss)/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)
Total equity at 31 March 2015	521,393	(65,846)	13,779	10,735	(196,310)	283,751
Total comprehensive (loss)/income for the 2nd quarter ended 30 June 2015	-	-	(3,792)	(2,280)	6,750	678
Transactions with equity holders in their capacity as equity holders:						
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	7,330	-	-	-	-	7,330
Total equity at 30 June 2015	528,723	(65,846)	9,987	8,455	(189,560)	291,759

Changes in shareholders' equity of the Group for the quarter and half year ended 30 June 2014	Share capital S\$'000	Capital reserve <sup>1</sup> 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 2014	502,870	(65,846)	19,652	1,743	(188,674)	269,745
Total comprehensive (loss)/income for the 1st quarter ended 31 March 2014	-	-	(3,192)	(268)	8,184	4,724
Transactions with equity holders in their capacity as equity holders:						
Dividends for the period	-	-	-	-	(17,880)	(17,880)
Total equity at 31 March 2014	502,870	(65,846)	16,460	1,475	(198,370)	256,589
Total comprehensive (loss)/income for the 2nd quarter ended 30 June 2014	-	-	(481)	(998)	8,625	7,146
Transactions with equity holders in their capacity as equity holders:						
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	11,739	-	-	-	-	11,739
Total equity at 30 June 2014	514,609	(65,846)	15,979	477	(189,745)	275,474

<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 and half year ended 30 June 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)
Total equity at 31 March 2015	521,393	(65,846)	6,749	(178,545)	283,751
Total comprehensive (loss)/income for the 2nd quarter ended 30 June 2015	-	-	(3,350)	4,028	678
Transactions with equity holders in their capacity as equity holders:					
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	7,330	-	-	-	7,330
Total equity at 30 June 2015	528,723	(65,846)	3,399	(174,517)	291,759

<b>Changes in shareholders' equity of the Company for the quarter and half year ended 30 June 2014</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 2014	502,870	(65,846)	3,392	(170,671)	269,745
Total comprehensive (loss)/income for the 1st quarter ended 31 March 2014	-	-	(1,689)	6,413	4,724
Transactions with equity holders in their capacity as equity holders:					
Dividends for the period	-	-	-	(17,880)	(17,880)
Total equity at 31 March 2014	502,870	(65,846)	1,703	(182,138)	256,589
Total comprehensive (loss)/income for the 2nd quarter ended 30 June 2014	-	-	(1,161)	8,307	7,146
Transactions with equity holders in their capacity as equity holders:					
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	11,739	-	-	-	11,739
Total equity at 30 June 2014	514,609	(65,846)	542	(173,831)	275,474

<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

The Company has declared an interim dividend of 0.75 Singapore cents per share for the financial year ending 31 December 2015 amounting to S\$10.43 million. This dividend will be paid on or about 12 October 2015.

For the financial year ending 31 December 2015, the Company has obtained the Inland Revenue Authority of Singapore's confirmation that it is tax resident of Singapore.

Dividends paid in 2015 are exempt from tax (one-tier) when received in the hands of Shareholders.

## CHANGES IN SHARE CAPITAL

The movement in the number of issued and fully paid-up ordinary shares for the half year ended 30 June 2015 is as follows:

<b>Company</b>	<b>Number of shares '000</b>	<b>Share capital at par value S\$'000</b>	<b>Share premium reserve S\$'000</b>	<b>Share capital S\$'000</b>
<b>Issued and fully paid shares</b>				
Opening balance as at 1 January 2015	1,334,473	13,345	508,048	521,393
Movements in period to 30 June 2015	56,382	564	6,766	7,330
<b>Total share capital as at 30 June 2015</b>	<b>1,390,855</b>	<b>13,909</b>	<b>514,814</b>	<b>528,723</b>

On 22 April 2015, the Company issued and allotted 56,382,672 new ordinary shares at an issue price of 13 Singapore cents per share to eligible shareholders who have elected to participate in the Scrip Dividend Scheme.

## NET ASSET VALUE

	<b>Group As at 30 Jun 15</b>	<b>Company As at 30 Jun 15</b>	<b>Group As at 31 Dec 14</b>	<b>Company As at 31 Dec 14</b>
Total net asset value (S\$'000)	291,759	291,759	284,722	284,722
Total number of ordinary shares in issue used in calculation of net asset value per share ('000)	1,390,855	1,390,855	1,334,473	1,334,473
Net asset value per ordinary share (S\$ per share)	0.210	0.210	0.213	0.213

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 2015 was 21.0 Singapore cents after the payment of 2014 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 2014 final dividend was paid and the shares relating to the Scrip Dividend Scheme had been issued before 31 December 2014, the net asset value per share as at 31 December 2014 would have been 20.3 Singapore cents instead of 21.3 Singapore cents per share and the increase in net asset value per share would be 3.4% for the half year ended 30 June 2015.

## EARNINGS PER SHARE

	Group Quarter ended 30 Jun 15	Group Year to date 30 Jun 15	Group Quarter ended 30 Jun 14	Group Year to date 30 Jun 14
<b>Basic earnings per share</b>				
Earnings used in calculation of basic earnings per share (S\$'000)	6,750	12,303	8,625	16,809
Weighted average number of shares in issue used in calculation of basic earnings per share ('000)	1,377,844	1,356,278	1,268,394	1,230,399
Basic earnings per share (cents per share)	0.49	0.91	0.68	1.37
<b>Diluted earnings per share</b>				
Earnings used in calculation of diluted earnings per share (S\$'000)	6,750	12,303	8,625	16,809
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,377,844	1,356,278	1,268,394	1,230,399
Diluted earnings per share (cents per share) <sup>1</sup>	0.49	0.91	0.68	1.37

<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 the attention of the Board of Directors of the Company which may render the financial statements for the quarter ended 30 June 2015 to be false or misleading in any material respect.

On behalf of the Board of Directors

Boon Swan Foo  
Chairman  
6 August 2015

Jason See Yong Kiat  
Manager Nominated Director  
6 August 2015