



GLOBAL INVESTMENTS LIMITED

SGX Quarterly Report 30 June 2016

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CONTENT

CONTENT	2
PERFORMANCE REVIEW	3
INVESTMENT PORTFOLIO	5
BUSINESS OUTLOOK ¹	6
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	9
STATEMENT OF FINANCIAL POSITION	10
CONSOLIDATED STATEMENT OF CASH FLOWS	11
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	12
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY	13
ACCOUNTING POLICIES APPLICATION	14
DIVIDENDS	14
CHANGES IN SHARE CAPITAL	14
NET ASSET VALUE	15
EARNINGS PER SHARE	15
AUDIT OR REVIEW	16
INTERESTED PERSON TRANSACTION	16
CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL	16
CONFIRMATION OF THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL	16

PERFORMANCE REVIEW

QUARTER ENDED 30 JUNE 2016

The Company and its subsidiaries (“the Group”) reported a profit after tax of S\$10.3 million in 2Q 2016, 51.5% higher than the profit after tax of S\$6.8 million in 2Q 2015.

REVENUE

Revenue increased by 69.6% to S\$19.0 million in 2Q 2016 from S\$11.2 million in 2Q 2015 mainly due to the completion of the sale of the Group’s stake in Ascendos Investments Limited (“Ascendos”). There was a net gain on financial assets designated as fair value through profit or loss of \$1.6 million versus a loss of S\$2.0 million in 2Q 2015.

EXPENSES

Total expenses for 2Q 2016 was S\$3.8 million compared to S\$4.4 million in 2Q 2015. The lower expenses was mainly due to the absence of incentive fee in 2Q 2016. Net foreign exchange loss of S\$2.7 million was higher as compared to S\$0.4 million in 2Q 2015 as a result of the weakening of AUD and EUR against USD as well as a weakening of USD against SGD.

IMPAIRMENT EXPENSE

During the quarter, the Group recognised an impairment of S\$4.8 million from its portfolio of listed equities classified under the available-for-sale (“AFS”) financial assets.

OTHER COMPREHENSIVE INCOME

Other comprehensive income for the Group amounted to a loss of S\$2.4 million in 2Q 2016 compared to a loss of S\$6.1 million in 2Q 2015. The negative movement in the AFS revaluation reserve was mainly due to the reclassification of fair value gain to profit or loss of S\$2.1 million 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 current quarter following the weakening of USD against SGD. In the same period last year, other comprehensive income amounting to a loss of S\$6.1 million was mainly due to reclassification of fair value gain to profit or loss of S\$5.3 million following the sale of listed equities and translation loss of S\$2.3 million, offset by fair value gain from AFS financial assets of S\$1.5 million.

Total comprehensive income for the Group increased significantly to S\$7.9 million in 2Q 2016 from S\$0.7 million in 2Q 2015.

HALF YEAR ENDED 30 JUNE 2016

For the half year ended 30 June 2016, the Group’s net profit remains unchanged at S\$12.3 million compared to 1H 2015.

REVENUE

Revenue of S\$21.7 million for 1H 2016 was 11.9% higher than 1H 2015. The higher revenue was mainly contributed by higher gain on sale of investments due to the sale of Ascendos and higher interest income due to the increased investment in the bond portfolio.

EXPENSES

Total expenses for 1H 2016 was S\$4.0 million compared to S\$6.9 million in 1H 2015. This was mainly due to the absence of incentive fee in 1H 2016.

IMPAIRMENT EXPENSE

The Group recognised an impairment expense of S\$5.4 million in 1H 2016 arising from the impairment of listed equities classified under the AFS financial assets.

OTHER COMPREHENSIVE INCOME

Other comprehensive income for 1H 2016 amounted to a loss of S\$12.2 million compared to a loss of S\$2.6 million in 1H 2015. This is mainly due to a translation loss of S\$6.2 million following the weakening of USD against SGD compared to a translation gain of S\$2.2 million in 1H 2015. The negative movement in the AFS revaluation reserve was a result of a net fair value loss of S\$3.7 million from AFS financial assets and reclassification of fair value gain to profit or loss of S\$2.4 million following the sale of Ascendos offset by the reclassification of fair value loss arising from AFS listed equities to impairment expense. In the same period last year, other comprehensive income amounted to a loss of S\$2.6 million mainly due to reclassification of fair value gain to profit or loss of S\$9.7 million following the sale of listed equities offset by a fair value gain of S\$5.0 million from AFS financial assets.

Total comprehensive income for the Group was S\$0.1 million in 1H 2016 versus S\$9.7 million in 1H 2015.

STATEMENT OF FINANCIAL POSITION

LOANS AND RECEIVABLES

The loans and receivables as at 30 June 2016 was S\$56.1 million compared to S\$57.7 million as at 31 December 2015. The slight decrease was due to full redemption of a RMBS offset by the purchase of a CLO security.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

The AFS financial assets of S\$152.3 million as at 30 June 2016 comprised investments in listed equities, bonds and collateralised loan obligations. The increase from S\$148.5 million as at 31 December 2015 was mainly due to the net purchase of bonds during the period offset by the sale of Ascendos.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at fair value through profit or loss, comprising investments in a portfolio of bonds, was S\$61.0 million as at 30 June 2016 compared to S\$53.9 million as at 31 December 2015. The increase was mainly due to the net purchase of bonds.

CASH AND CASH EQUIVALENTS

The lower cash and cash equivalents of S\$21.8 million as at 30 June 2016 compared to S\$29.1 million as at 31 December 2015 was mainly due to a net purchase of investments and net 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 2016 was 19.2 Singapore cents after the payment of 2015 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 2015 final dividend was paid and the shares relating to the Scrip Dividend Scheme had been issued before 31 December 2015, the net asset value per share as at 31 December 2015 would have been 19.2 Singapore cents instead of 20.2 Singapore cents per share.

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 2016 comprised the following assets:

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

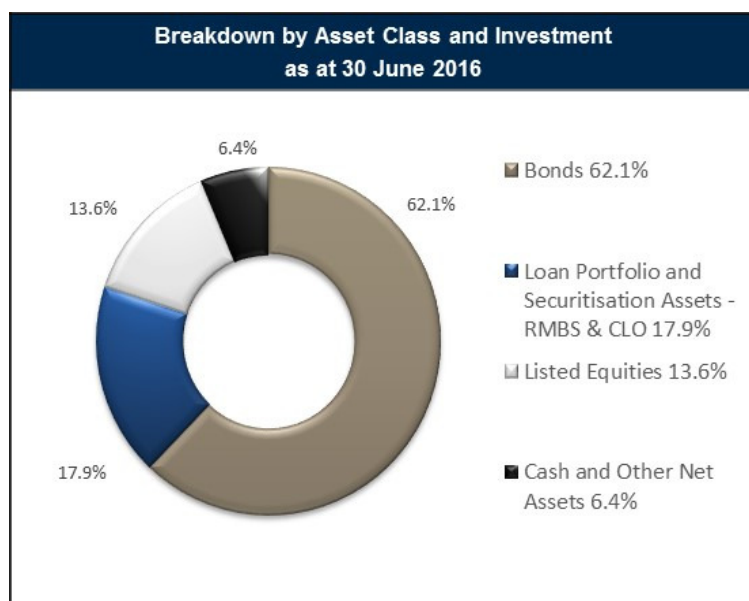
The Group is invested in a portfolio of USD and EUR denominated CLO. The CLO investments are in mezzanine and subordinated notes which are issued by securitisation vehicles that hold collateral consisting of mainly senior secured corporate loans.

BONDS

The Group is invested in a portfolio of mainly high yield corporate bonds denominated in various 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 30 June 2016 is S\$287.89 million

BUSINESS OUTLOOK¹

MACROECONOMIC OUTLOOK

The International Monetary Fund (“IMF”) cut its outlook for global economic growth for 2016 to 3.1%, down 0.1 percentage points from its forecast just a few months ago. It also reduced its growth forecast for 2017 to 3.4% from 3.5%, citing that the unexpected UK vote to leave the European Union implies an increase in economic uncertainty. With the event still unfolding, IMF acknowledged the difficulty of quantifying potential repercussions. The IMF cited further risks to its outlook such as unresolved legacy issues in the European banking system, political divisions within advanced economies which may hamper efforts to tackle structural changes as well as geopolitical tensions and terrorism which could weigh heavily on the outlook in the global economy.

In the US, Gross Domestic Product (“GDP”) disappointed, increasing only 1.2% quarter-on-quarter (“q-o-q”) in 2Q 2016 after growing 3.3% q-o-q in 1Q 2016. However, other macroeconomic data showed signs of expansion. The ISM Manufacturing Purchasing Manager Index (“PMI”) rose to 53.2 in June from 51.8 in March 2016 while the ISM Non-Manufacturing PMI rose to 56.5 from 54.5. Meanwhile, headline inflation remained low with the Consumer Price Index (“CPI”) gaining 1.0% year-on-year (“y-o-y”) compared to 0.9% y-o-y. The US unemployment rate improved to 4.87% from 5.0% in, largely attributed to a fall in labor force participation rate. Given the weak investment spending and employment outlook, the Federal Reserve (“the Fed”) opted to maintain the Fed fund’s target rate in the range of 0.25% - 0.5%, pushing back expectations of a further rise in US interest rates. The Fed also cautioned that UK’s EU referendum (“Brexit”) had created additional uncertainties for the world economy going forward.

In the Eurozone, economic growth continued to be lackluster with no clear signs of recovery. The Markit Eurozone Composite PMI, which tracks sentiment among purchasing managers in the manufacturing and service sectors, remained unchanged at 53.1 in June 2016, with manufacturing growth offset by a slowdown in the service sector. The Eurozone unemployment rate declined marginally from 10.2% to 10.1% while the Consumer Confidence Indicator improved from -9.7 to -7.2. Eurozone inflation unexpectedly rose by 0.1% y-o-y from -0.1% y-o-y, which suggested that the European Central Bank (“ECB”)’s stimulus measures might have been starting to filter through to the economy. Following the June policy meeting, the ECB continues to stand behind its bond purchase programme. In the UK, the Brexit vote may potentially create a wave of uncertainty in the European Union amid fragile business and consumer sentiments.

In China, economic data was generally mixed. GDP remained at 6.7% y-o-y in 2Q 2016, indicating that the economic slowdown might have stabilized. The Caixin Manufacturing PMI reading deteriorated from 49.7 in March 2016 to 48.6 in June while the Caixin Services PMI increased slightly from 52.2 to 52.7. Industrial output was growing at 6.2% y-o-y, down from 6.8% y-o-y. Private consumption remained relatively constant, with retail sales growing at 10.6% y-o-y compared to 10.5% y-o-y. Exports deteriorated sharply to -4.8% y-o-y compared to 11.4% y-o-y, while import growth weakened further to -8.4% y-o-y from -7.6% y-o-y. Inflation was down with the CPI at 1.9% y-o-y from 2.3% y-o-y. The country’s foreign exchange reserves were relatively stable, which suggested that the People’s Bank of China (“PBOC”) had little worry about large capital outflows and there is room for PBOC to further cut the policy rate and the reserve requirement ratio so as to stabilize growth in the domestic economy. There is also room for the Chinese government to increase its fiscal support and infrastructure investments, alongside more measures on supply-side reforms. They have pledged to reduce capacity in the steel and coal sectors by around 10% in the next few years and cut a combined 1.8 million jobs. Recently, IMF has revised upward its projection for China’s economic growth for 2016 and 2017 by 0.2 percentage points to 6.5% and 6.2% respectively, citing the announced policy stimulus and that robust growth in the services sector offset recent weakness in the manufacturing sector.

Currency

The Singapore dollar nominal effective exchange rate (“S\$NEER”) movements over the past six months have been on the rise. Continuing from 1Q 2016, S\$NEER Index has strengthened from 124.8 as at the end of 1Q 2016 to 126.09 as at 24 June 2016. The strength was partially contributed by safe haven flows after UK voted out of EU. In 2Q 2016, SGD strengthened against most major currencies. It appreciated against EUR by 2.05%, GBP by 6.65%, AUD by 2.98%, and CNY by 2.82%. Over the same period, the SGD was relatively flat against the USD but weakened against JPY by 9.20%.

While Singapore’s headline inflation eased for 20th straight month this June, the latest CPI-All items inflation statistic from the Ministry of Trade and Industry Singapore (“MTI”) came in at -0.7% y-o-y compared to the 1.0% y-o-y decline in March. The key drivers are a smaller decline in accommodation cost and a softer drop in private road transport costs. The Monetary Authority of Singapore (“MAS”) Core Inflation, which excludes the cost of accommodation and private road transport, rose to 1.1% y-o-y in June from 0.6% y-o-y in March 2016, primarily due to higher service inflation which rose to 1.6% y-o-y from 0.4% y-o-y in the same period. 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 estimated to have troughed in Q2 2016 and is projected to rise in the coming months. MAS Core Inflation is expected to pick up slowly, although the pace of increase will be restrained by weak external demand, subdued economic growth outlook, and reduction in labour market tightness.

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. 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

Loan Portfolio and Securitization Assets

Prices of global corporate loans continued to rally in 2Q 2016 together with strong gains in oil prices in the month of April, as well as reduced rate hike expectations from the US Fed. This was tempered by uncertainty in the run up to Brexit but continued to climb upward despite the selloff immediately following the Brexit result announcement. Moody's Global Speculative-Grade Corporate Default Rate increased to 4.5% at the end of 2Q 2016, up from 3.8% at the end of 1Q 2016. Moody's expects the global speculative-grade default rate to rise to 4.9% at the end of 2016, but sees upward pressure easing in 2017.

Similar to other credit sectors in high yield and leveraged loans, CLO spreads rallied in 2Q 2016 on the back of oil price gains, and dovish actions taken by the Fed and the ECB. US CLO issuance totalled \$17.99 billion from 42 issues in 2Q 2016, while EUR CLO issuance rose to €4.56 billion from €2.64 billion in 1Q 2016. While the EUR CLO market activity is poised to eclipse 2015, US CLO markets are on track to record the lowest activity in the last 3 years. The Palmer Square CLO Debt Index, which tracks the value of US mezzanine CLO debt tranches, gained 4.02% q-o-q in 2Q 2016.

Bonds

The quarter saw an overall strength in the bond market with global credit rising largely driven by the momentum in March's recovery carrying into April and May. Positive economic data releases in developed markets together with ongoing policy support from global central banks supported the bond market. However, the UK's EU referendum in late June overshadowed other market drivers by the end of 2Q 2016. Global disinflation is set to persist into the second half of the year. In such an environment, low yields and accommodative monetary policy should be expected to persist until fundamental macroeconomic outlook shows signs of a sustainable improvement.

Unlike other sectors of the credit markets, bank credit metrics are improving fast under intense regulatory pressure – regular stress tests, new leverage ratios / national capital ratios, to the point that many Western banks are running at record-high capital levels. De-leveraging of higher risk weighted assets via asset sales as well as pulling back from certain capital market business lines will result in lower volatility in earnings which is positive for bank credit. Macro environment is also constructive leading to fundamental improvement in the global banking system – stable economic trends in the US and non-performing loans formation peaking in Europe.

The JP Morgan Asia Credit Index, which tracks the Asian bond markets, gained 3.32 in SGD terms in 2Q 2016 while the JP Morgan US Liquid Index, which tracks the investment grade dollar denominated corporate bond index, climbed 2.79% in the same period.

Listed Equities

It was a difficult period for the global equity markets during the quarter. The risk-off sentiment was evident as investors were cautious on the growth momentum of global economy and were unnerved further by the unexpected Brexit vote. The equity markets recovered steadily at the end of the quarter after the central banks' success in taking steps to shore up investor confidence. In the near term, central banks' pledge to maintain easy monetary policies to stimulate growth should continue to support equity markets. Some countries are expected to step up fiscal stimuli to spur their domestic demand as the export outlook worsens. Japan is in the midst of introducing a supplementary budget after the recent elections. UK has indicated openness to a more generous budget after the Brexit vote. China has been injecting liquidity, and more fiscal support is expected.

The MSCI World Index, which tracks the global equity markets, gained 0.47% in SGD terms in 2Q 2016.

Summary

The global economic environment is challenging for 2H 2016. Financial market volatility remains high, and geopolitical conflicts, terrorism and refugee flows continue to complicate the global economic environment. Furthermore, there are uncertainties surrounding the post-Brexit impact and the health of the European banking sector. In such a difficult environment coupled with high oil inventory and a strong USD, the oil prices are likely to remain weak and volatile which continues to present strong headwind to the oil and gas sector. In view of the less than desirable global economic recovery and a growing concern about a wave of anti-globalization sentiment, the finance ministers and central bankers

UNAUDITED FINANCIAL REPORT
For the quarter ended 30 June 2016

from the Group of 20 (“G-20”) in their recent meeting in China, put a stepped-up emphasis on fiscal and structural policies to boost growth and renewed a pledge to promote inclusiveness. Brexit has escalated the importance of inclusive economic expansion and more needs to be done to share the benefits of growth and economic openness broadly within and among countries.

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

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 16 S\$'000	Group Year to date 30 Jun 16 S\$'000	Group Quarter ended 30 Jun 15 S\$'000	Group Year to date 30 Jun 15 S\$'000
Revenue				
Dividend income	587	790	1,073	1,624
Interest income	4,030	7,739	3,406	6,141
Net gain on sale of investments	12,795	13,435	8,741	12,323
Net gain/(loss) on financial assets designated as fair value through profit or loss	1,563	(217)	(1,999)	(736)
Total revenue	18,975	21,747	11,221	19,352
Expenses				
Management fees	(486)	(953)	(526)	(988)
Incentive fees	-	-	(2,840)	(2,840)
Net foreign exchange loss (net of hedges)	(2,705)	(1,926)	(418)	(2,010)
Finance costs	(1)	(1)	-	(1)
Other operating expenses	(613)	(1,090)	(597)	(1,041)
Total expenses	(3,805)	(3,970)	(4,381)	(6,880)
Impairment expense	(4,804)	(5,384)	-	-
Profit before tax	10,366	12,393	6,840	12,472
Income tax expense	(23)	(47)	(90)	(169)
Profit after tax	10,343	12,346	6,750	12,303
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Available-for-sale financial assets				
- Fair value (loss)/gain	(63)	(3,664)	1,460	4,970
- Reclassification to profit or loss	(2,095)	(2,371)	(5,252)	(9,712)
Currency translation differences arising from consolidation				
- (Loss)/gain	(262)	(6,172)	(2,280)	2,155
Other comprehensive income for the period after tax	(2,420)	(12,207)	(6,072)	(2,587)
Total comprehensive income for the period attributable to shareholders	7,923	139	678	9,716
Basic earnings per share (cents per share)	0.70	0.84	0.49	0.91
Diluted earnings per share (cents per share)	0.70	0.84	0.49	0.91

STATEMENT OF FINANCIAL POSITION

	Group As at 30 Jun 16 S\$'000	Group As at 31 Dec 15 S\$'000	Company As at 30 Jun 16 S\$'000	Company As at 31 Dec 15 S\$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	-	-	124,497	121,631
Loans and receivables	56,055	57,727	-	-
Available-for-sale financial assets	112,662	96,425	112,662	74,355
Financial assets at fair value through profit or loss	60,980	53,946	60,980	53,946
	<u>229,697</u>	<u>208,098</u>	<u>298,139</u>	<u>249,932</u>
Current assets				
Cash and cash equivalents	21,794	29,110	14,157	13,228
Available-for-sale financial assets	39,629	52,083	36,371	46,674
Other assets	4,214	4,437	3,252	4,339
	<u>65,637</u>	<u>85,630</u>	<u>53,780</u>	<u>64,241</u>
Total Assets	<u>295,334</u>	<u>293,728</u>	<u>351,919</u>	<u>314,173</u>
LIABILITIES				
Intercompany payables	-	-	60,795	20,465
Other liabilities	7,448	1,514	3,238	1,494
Total Liabilities	<u>7,448</u>	<u>1,514</u>	<u>64,033</u>	<u>21,959</u>
Net assets attributable to shareholders	<u>287,886</u>	<u>292,214</u>	<u>287,886</u>	<u>292,214</u>
EQUITY				
Share capital	542,218	535,837	542,218	535,837
Capital reserve	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	(2,444)	3,591	(1,165)	(2,948)
Translation reserve	7,854	14,026	-	-
Accumulated losses	(193,896)	(195,394)	(187,321)	(174,829)
Total Equity	<u>287,886</u>	<u>292,214</u>	<u>287,886</u>	<u>292,214</u>
Net asset value per share (S\$ per share)	<u>0.192</u>	<u>0.202</u>	<u>0.192</u>	<u>0.202</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Quarter ended 30 Jun 16 S\$'000	Group Year to date 30 Jun 16 S\$'000	Group Quarter ended 30 Jun 15 S\$'000	Group Year to date 30 Jun 15 S\$'000
Cash flows used in/from operating activities				
Operating costs paid	(1,222)	(2,249)	(1,340)	(2,456)
Interest income received	3,410	7,545	3,019	5,847
Dividend income received	427	479	903	1,350
Settlement of forward contracts	2,389	2,465	-	-
Income tax paid	(23)	(47)	(76)	(155)
Net cash inflow from operating activities	4,981	8,193	2,506	4,586
Cash flows used in/from investing activities				
Purchase of financial assets	(51,347)	(59,457)	(65,555)	(105,470)
Loan repayments received	2,992	3,346	4,608	5,250
Proceeds from disposal of financial assets	38,818	46,399	54,689	90,712
Net cash outflow used in investing activities	(9,537)	(9,712)	(6,258)	(9,508)
Cash flows used in financing activities				
Dividends paid	(4,466)	(4,466)	(2,679)	(2,679)
Net cash flows used in financing activities	(4,466)	(4,466)	(2,679)	(2,679)
Net decrease in cash and cash equivalents	(9,022)	(5,985)	(6,431)	(7,601)
Cash and cash equivalents at beginning of period	31,526	29,110	30,408	31,252
Effects of exchange rate changes on cash and cash equivalents	(710)	(1,331)	(386)	(60)
Cash and cash equivalents at end of period	21,794	21,794	23,591	23,591

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

Changes in shareholders' equity of the Group for the quarter and half year ended 30 June 2015	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 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)
Total equity at 31 March 2015	521,393	(65,846)	13,779	10,735	(196,310)	283,751
Total comprehensive 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

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 2016	Share capital S\$'000	Capital reserve¹ 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

Changes in shareholders' equity of the Company for the quarter and half year ended 30 June 2015	Share capital S\$'000	Capital Reserve¹ S\$'000	Available-for-sale financial assets revaluation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
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 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

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 0.75 Singapore cents per share for the financial year ending 31 December 2016 amounting to S\$11.22 million. This dividend will be paid on or about 12 October 2016.

For the financial year ending 31 December 2016, the Company has obtained the Inland Revenue Authority of Singapore's confirmation that it is tax resident of Singapore.

Dividends paid in 2016 are exempt from tax (one-tier) when received in the hands of Shareholders.

Ordinary Shares	Group 2016	Group 2015
<u>Interim Dividend</u>		
Dividend per Share (cents)	0.75	0.75
Dividend amount (S\$'000)	11,222	10,432
<u>Final Dividend</u>		
Dividend per Share (cents)	-	0.75
Dividend amount (S\$'000)	-	10,848
Total Dividend (S\$'000)	11,222	21,280

CHANGES IN SHARE CAPITAL

The movement in the number of issued and fully paid-up ordinary shares for the half year ended 30 June 2016 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 2016	1,446,434	14,464	521,373	535,837
Movements in period to 30 June 2016	49,856	499	5,882	6,381
Total share capital as at 30 June 2016	1,496,290	14,963	527,255	542,218

On 27 April 2016, the Company issued and allotted 49,856,073 new ordinary shares at an issue price of 12.8 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 16	Company As at 30 Jun 16	Group As at 31 Dec 15	Company As at 31 Dec 15
Total net asset value (S\$'000)	287,886	287,886	292,214	292,214
Total number of ordinary shares in issue used in calculation of net asset value per share ('000)	1,496,290	1,496,290	1,446,434	1,446,434
Net asset value per ordinary share (S\$ per share)	0.192	0.192	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 30 June 2016 was 19.2 Singapore cents after the payment of 2015 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 2015 final dividend was paid and the shares relating to the Scrip Dividend Scheme had been issued before 31 December 2015, the net asset value per share as at 31 December 2015 would have been 19.2 Singapore cents instead of 20.2 Singapore cents per share.

EARNINGS PER SHARE

	Group Quarter ended 30 Jun 16	Group Year to date 30 Jun 16	Group Quarter ended 30 Jun 15	Group Year to date 30 Jun 15
Basic earnings per share				
Earnings used in calculation of basic earnings per share (S\$'000)	10,343	12,346	6,750	12,303
Weighted average number of shares in issue used in calculation of basic earnings per share ('000)	1,482,045	1,464,240	1,377,844	1,356,278
Basic earnings per share (cents per share)	0.70	0.84	0.49	0.91
Diluted earnings per share				
Earnings used in calculation of diluted earnings per share (S\$'000)	10,343	12,346	6,750	12,303
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,482,045	1,464,240	1,377,844	1,356,278
Diluted earnings per share (cents per share) ¹	0.70	0.84	0.49	0.91

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 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 30 June 2016 to be false or misleading in any material respect.

On behalf of the Board of Directors

Boon Swan Foo
Chairman
5 August 2016

Jason See Yong Kiat
Manager Nominated Director
5 August 2016