

SGX-ST Release
8 August 2018

GIL recorded a 1.44% increase in net asset value per share for first half 2018 after adjusting for 2017 final dividend

Global Investments Limited (the Company) has today released its financial results for the quarter ended 30 June 2018.

Changes arising from the adoption of International Financial Reporting Standards 9 (IFRS 9) with effect from 1 January 2018

With effect from 1 January 2018, the Company and its subsidiaries (the Group) has adopted IFRS 9. Comparative figures in the Statement of Financial Position as at 31 December 2017 and in the Statement of Comprehensive Income for the quarter and half year ended 30 June 2017 have not been restated and are still accounted for in accordance with International Accounting Standards 39.

Quoted equity shares and debt securities previously held as available-for-sale (AFS) financial assets with gains and losses recorded in other comprehensive income have been measured at fair value through profit and loss (FVTPL) on 1 January 2018. The AFS reserve of S\$7.6 million related to those securities has been reclassified to opening retained earnings.

Debt securities previously held as loans and receivables have been measured at FVTPL on 1 January 2018 after analysing the intention of holding them and of their contractual cashflow characteristics. The net asset value of the Group has increased by S\$1.7 million from fair value adjustments of such securities with a corresponding increase in the opening retained earnings by the same amount.

Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings as of 1 January 2018 and are disclosed under "Consolidated Statement of Changes in Shareholders' Equity". In total, the opening retained earnings has increased by S\$9.3 million on 1 January 2018 following the adoption of IFRS 9.

Financial Performance for 2Q 2018

The Group reported a profit after tax of S\$4.2 million in 2Q 2018, lower than the profit after tax of S\$4.8 million recorded in 2Q 2017 by S\$0.6 million.

Income for 2Q 2018 was lower at S\$5.4 million as compared to S\$9.8 million reported in 2Q 2017. During the quarter, the Group received S\$6.8 million of settlement proceeds from the BBRNA litigation in addition to interest, net foreign exchange gain and dividend of S\$5.3 million. However, this was offset by a net fair value loss of S\$6.8 million due to the overall reduction in market prices of securities. In 2Q 2017, the Group's income was mainly contributed by interest income and net foreign exchange gain of S\$4.6 million and S\$2.6 million respectively.

Total expenses for 2Q 2018 reduced to S\$1.2 million from S\$3.2 million reported in 2Q 2017. This was largely due to the absence of incentive fee accrual during the quarter.

No impairment expense or reversal of impairment expense will be recognised going forward as all financial assets held is classified as financial assets at FVTPL following the adoption of IFRS 9. In 2Q 2017, a net impairment expense of S\$1.8 million was recognised from the portfolio of listed equities and bonds, offset partially by the reversal of impairment following the sale of bonds and a bank contingent convertible.

Other comprehensive income for the Group amounted to S\$2.2 million in 2Q 2018 which relates to a translation gain as a result of the strengthening of USD against SGD during the quarter. In 2Q 2017, the other comprehensive income of S\$2.1 million was attributed to a net fair value gain in the AFS financial asset revaluation reserve of S\$3.4 million, offset partially by a translation loss of S\$1.3 million.

Total comprehensive income for the Group was S\$6.4 million in 2Q 2018 as compared to S\$6.9 million in 2Q 2017.

Financial performance for 1H 2018

For the half year ended 30 June 2018, the Group reported a net profit after tax of S\$1.9 million as compared to S\$11.6 million recorded in 1H 2017.

The Group reported a lower income of S\$4.2 million in 1H 2018 as compared to S\$20.0 million in the same period last year. During the period, the Group received S\$6.8 million of settlement proceeds from the BBRNA litigation in addition to interest, net foreign exchange gain and dividend of S\$9.1 million. However, this was offset by a net fair value loss of S\$11.7 million following the overall reduction in market prices of securities during 1H 2018. In 1H 2017, the Group's income was mainly contributed by interest income and net gain on sale of investments of S\$8.8 million and S\$7.0 million respectively.

Total expenses for 1H 2018 of S\$2.3 million was S\$4.1 million lower than the total expenses of S\$6.4 million in 1H 2017. The lower expense was mainly due to the absence of incentive fee of S\$4.2 million in 1H 2018.

As highlighted in the earlier paragraphs, no impairment expense or reversal of impairment expense will be recognised going forward. In 1H 2017, the net impairment expense of S\$1.9 million was 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.

Other comprehensive income for 1H 2018 amounted to S\$1.1 million as compared to S\$0.7 million in 1H 2017. The S\$1.1 million recorded in 1H 2018 relates to a translation gain as a result of the strengthening of USD against SGD. This is in contrast to a translation loss of S\$4.4 million recorded in 1H 2017 which was offset by a net fair value gain in the AFS financial assets revaluation reserve of S\$5.1 million.

Total comprehensive income for the Group was S\$3.1 million in 1H 2018 versus S\$12.3 million in 1H 2017.

The Group achieved earnings per share of 0.12 Singapore cents (based on weighted average number of shares of 1,668.76 million after taking into account the additional shares issued pursuant to the Scrip Dividend Scheme) in 1H 2018 compared to 0.74 Singapore cents (based on weighted average number of shares of 1,572.44 million) in 1H 2017.

The net asset value per share of the Group as at 30 June 2018 was 19.69 Singapore cents after the payment of 2017 final dividend of 0.60 Singapore cents per share and taking into account the new shares issued pursuant to the Scrip Dividend Scheme. If the 2017 final dividend was paid and the shares relating to the Scrip Dividend Scheme had been issued before 31 December 2017, the net asset value per share as at 31 December 2017 would have been 19.41 Singapore cents instead of 20.14 Singapore cents per share and the increase in net asset value per share would be 1.44% for the half year ended 30 June 2018.

Further details on the performance of the Group for the period ended 30 June 2018 have been included in the SGX Report released today.



Striking-off of dormant subsidiaries

The Company has arranged the following dormant subsidiaries to be struck off by the Companies Register pursuant to Part VI and Section 156 of the Companies Law (2010 Revision) of Cayman Islands:

- GIL Aircraft Lessor No. 1 Ltd
- BBSFF Securitisation Limited
- BBSFF Alternative Asset Limited

The striking-off of the dormant subsidiaries is not expected to have any material impact on the Group's earnings per share and net tangible assets per share for the financial year ending 31 December 2018.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect in the striking off of the dormant subsidiaries other than through their respective interest in the shares of the Company.

By order of the Board of Directors

Date: 8 August 2018

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About Global Investments Limited
(<http://www.globalinvestmentslimited.com>)

Global Investments Limited (GIL) is a mutual fund company incorporated in Bermuda that provides investors access to a diversified portfolio of assets and economic exposures. GIL is managed by Singapore Consortium Investment Management Limited.