SGX-ST Release
12 November 2018

GIL recorded a 2.63% increase in net asset value per share for the nine months ended 30 September 2018 after adjusting for dividends distributed

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

The Group reported a profit after tax of S$6.3 million in 3Q 2018, higher than the profit after tax of S$5.5 million recorded in 3Q 2017 by S$0.8 million.

Income for 3Q 2018 was slightly lower at S$7.8 million as compared to S$8.1 million in 3Q 2017. The lower income as a result of the absence of a net foreign exchange gain and lower interest income was cushioned by a higher net value gain on FVTPL.

Total expenses for 3Q 2018 reduced to S$1.5 million from S$1.8 million in 3Q 2017. This was largely due to the absence of incentive fee accrued offset by a net foreign exchange loss of S$0.3 million recorded during the quarter.

No impairment expense or reversal of impairment expense will be recognised going forward as all financial assets held are classified as financial assets at FVTPL following the adoption of IFRS 9. In 3Q 2017, a net impairment expense of S$0.8 million was recognised from the portfolio of listed equities and bonds.

Other comprehensive income for 3Q 2018 amounted to loss of S$2.4 million due to a translation loss. In 3Q 2017, other comprehensive income of S$0.6 million was attributed to a net fair value gain in the AFS financial asset revaluation reserve of S$1.9 million, offset partially by a translation loss of S$1.3 million.

Total comprehensive income for the Group was S$3.9 million in 3Q 2018 as compared to S$6.1 million in 3Q 2017.

Financial Performance for nine months ended 30 September 2018

For the nine months ended 30 September 2018, the Group reported a net profit after tax of S$8.3 million as compared to S$17.1 million recorded in the same period last year.

The Group reported a lower income of S$11.7 million for the nine months ended 30 September 2018 as compared to S$28.1 million in the same period last year. The lower income was mainly contributed by a net fair value loss on FVTPL of S$8.3 million versus a gain of S$1.8 million in the same period last year and absence of net gain on sale of investment in the current year of S$9.0 million. Net foreign exchange gain for the current period was also lower by S$2.4 million compared to the same period last year. However, the lower income was partially cushioned by the settlement proceeds from the BBRNA litigation of S$6.8 million.

Total expenses for the nine months ended 30 September 2018 was S$3.4 million, lower than S$8.2 million recorded in the same period last year. The lower expense was mainly due to the absence of incentive fee accrued.

As highlighted above, no impairment expense or reversal of impairment expense will be recognised going forward. For the nine months ended 30 September 2017, the net impairment expense of S$2.7 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 the period ended 30 September 2018 amounted to a loss of S$1.3 million due to a translation loss. In comparison, other comprehensive income for the period 30

September 2017 of S$1.3 million was contributed by a net fair value gain in the AFS financial asset revaluation reserve of S$6.9 million, offset partially by a translation loss of S$5.6 million.

Total comprehensive income for the period ended 30 September 2018 was S$7.0 million versus S$18.5 million recorded in the same period last year.

The Group achieved earnings per share of 0.49 Singapore cents (based on weighted average number of shares of 1,678.04 million after taking into account the additional shares issued pursuant to the Scrip Dividend Scheme) in the period ended 30 September 2018 compared to 1.08 Singapore cents (based on weighted average number of shares of 1,584.58 million) in the same period last year.

The net asset value per share of the Group as at 30 September 2018 was 19.42 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 as well as 2018 interim dividend declared in August 2018. 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. After adjusting for the 2018 interim dividend, the net asset value per share as at 30 September 2018 would have been 19.92 Singapore cents and the increase in net asset value per share would be 2.63%.

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

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

With effect from 1 January 2018, the Company and its subsidiaries (the Group) have 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 nine months ended 30 September 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.

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:

- BBSFF Asset Holdings Ltd
- BBSFF EU Rail Lessor Limited
- BBSFF Loan Portfolio & Securitisation 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: 12 November 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.