GLOBAL INVESTMENTS LIMITED

SGX Report
For the half year ended 30 June 2020

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This financial report has been prepared to enable the directors to comply with their obligations under the Listing Manual of the Singapore Exchange Securities Trading Limited (Listing Manual) 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

FINANCIAL PERFORMANCE FOR HALF YEAR ENDED 30 JUNE 2020

For the half year ended 30 June 2020, the Group reported a net loss after tax of S$8.7 million as compared to a net profit after tax of S$15.7 million recorded for the half year ended 30 June 2019.

INCOME

The Group reported a negative income of S$6.6 million as compared to S$17.9 million in the same period last year. This was mainly due to a net fair value loss on financial assets at fair value through profit or loss (FVTPL) of S$16.6 million as compared to a net fair value gain of S$9.6 million in the comparative period last year. This net fair value loss was due to a drop in market prices for listed equities, bank contingent convertibles and other bonds during the half year. However, it was slightly offset by a net foreign exchange gain of S$1.7 million as compared to a loss of S$0.1 million recorded in the first half of 2019.

EXPENSES

Total expenses remained relatively unchanged for both half year ended 30 June 2020 and 2019.

STATEMENT OF FINANCIAL POSITION

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at FVTPL as at 30 June 2020 was S$288.5 million and comprised the entire portfolio of investments held by the Group. This was S$9.9 million higher than the carrying value of the portfolio of investments of S$278.6 million as at 31 December 2019. The increase was mainly due to a net purchase of investments, offset by fair value losses as a result of lower market prices.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents decreased to S$12.7 million as at 30 June 2020 compared to S$40.9 million as at 31 December 2019. This was mainly due to the net purchase of investments and the purchase of treasury shares.

NET ASSET VALUE PER SHARE

The net asset value per share of the Group as at 30 June 2020 was 18.19 Singapore cents after declaration of 2019 final dividend of 0.50 Singapore cents per share as compared to 18.95 Singapore cents as at 31 December 2019. After adjusting for the 2019 final dividend, the net asset value per share as at 30 June 2020 would have been 18.69 Singapore cents and the decrease in net asset per share would have been 1.4% for the half year ended 30 June 2020.

INVESTMENT PORTFOLIO

GIL was listed on the Main Board of the Singapore Exchange Securities Trading Limited on 20 December 2006. On 7 January 2019, the company transferred its domicile from Bermuda to Singapore and it is now registered in Singapore.

GIL's investment policy is to make investments in a portfolio of assets in different sectors through different means which includes but not limited to direct asset ownership, swaps, credit default swaps, debts, warrants, options, convertibles, preference shares, equity, guarantees of assets and performance, securities lending and participating loan agreements provided that it will not make any direct investments in real estate and commodities.

The Group's investment portfolio as at 30 June 2020 comprised the following assets:

LISTED EQUITIES

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

BANK CONTINGENT CONVERTIBLES

The Group is invested in a portfolio of bank contingent convertible securities denominated in various currencies.

LOAN PORTFOLIO AND SECURITISATION ASSETS

The Group is invested in a portfolio of USD denominated collateralised loan obligation (CLO) notes and a credit-linked note (CLN). The CLO investments are in mezzanine notes which are issued by securitisation vehicles that hold collateral consisting of mainly senior secured corporate debt. The CLN investment references a portfolio of trade finance obligations and corporate loans, with the obligors mainly domiciled in Asia. 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.

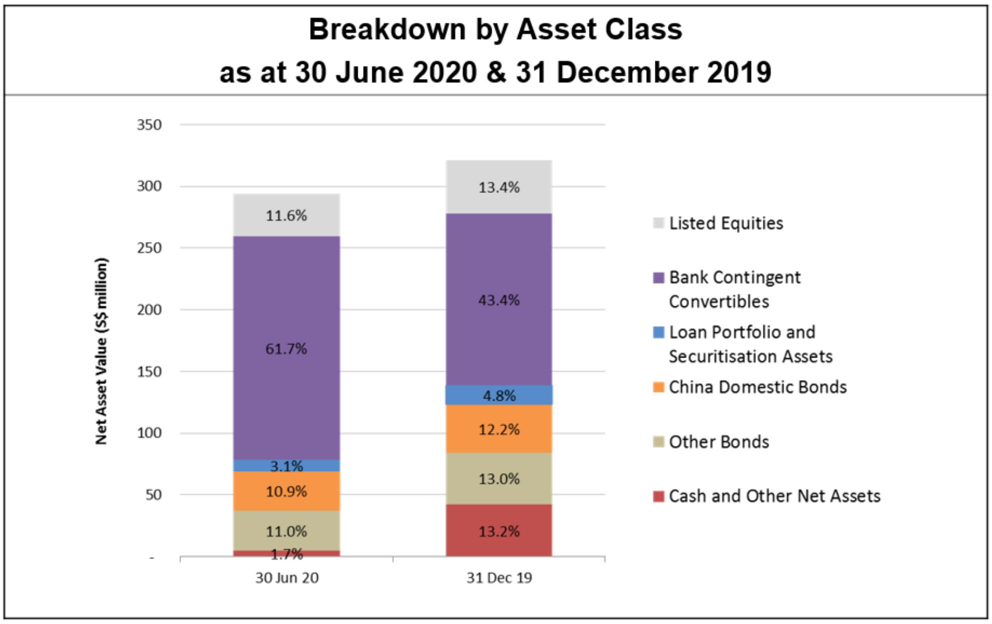
BONDS

CHINA DOMESTIC BONDS

The Group is invested in a portfolio of CNY denominated bonds issued mainly by Chinese companies rated AAA domestically.

OTHER BONDS

The Group is invested in a portfolio of bonds issued mainly by high yield US and European companies.



Net asset value as at 30 June 2020 and 31 December 2019 is S$293.55 million and S$320.90 million respectively.

BUSINESS REVIEW AND OUTLOOK[1]

MACROECONOMIC

The International Monetary Fund ("IMF") projected 2020 global growth at -4.9%, 1.9% below the April 2020 World Economic Outlook ("WEO") forecast and 2021 global growth at 5.4%. Overall, this would leave 2021 gross domestic product ("GDP") some 6.5% lower than in the pre-COVID-19 projections of January 2020. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021, global growth is projected at 5.4%.

In the US, according to advance estimates from the Bureau of Economic Analysis, GDP growth contracted by 32.9% quarter-on-quarter ("q-o-q") in 2Q 2020 and by 5.0% in 1Q 2020, compared to an expansion of 2.3% for the full year of 2019. The ISM Manufacturing Purchasing Manager Index ("PMI") decreased to 52.6 in June 2020 as compared to 54.1 in December 2019, while the ISM Non-Manufacturing PMI Index increased to 57.1 as compared to 54.9. Meanwhile, the annual inflation rate as measured by the Consumer Price Index ("CPI") was 0.6% in June 2020 as compared to 2.3% in December 2019. The US unemployment rate was 11.1% and the participation rate was 61.5% in June 2020, compared to 3.5% and 63.2% in December 2019.

The Federal Reserve ("Fed") lowered the target range for the federal funds rate progressively across a few emergency meetings, eventually bringing it down to 0-0.25% in March. In addition, the Fed also expanded their balance sheets by providing backstops to the US credit market. Also, the US government introduced a $2 trillion fiscal stimulus package that included direct payments to individuals and companies, and offering credit and paycheck relief to companies.

China's economy grew 11.5% q-o-q in 2Q 2020 but contracted 10.0% in 1Q 2020, compared to 6.1% for the full year of 2019. The Caixin Manufacturing PMI decreased to 51.2 in June 2020 from 51.5 in December 2019, while the Caixin Services PMI increased to 58.4 from 52.5 over the same period. Retail sales growth was -1.8% y-o-y in June 2020 as compared to 8.0% in December 2019. Exports expanded by 0.5% y-o-y in June 2020 as compared to 7.9% in December 2019 while imports grew 2.7% y-o-y compared to 16.5% over the same period. CPI increased 2.5% y-o-y in June 2020, down from 4.5% in December 2019. As of June 2020, China's foreign exchange reserves increased to US$3,112 billion from US$3,108 billion in December 2019.

China's economy is recovering as domestic spread of the pandemic has been brought under control quickly. Industrial output, housing market, durable sales and fixed investment have significantly improved thanks to factory resumption, confidence recovery and policy easing. However, foreign trade has recovered slowly as public concern was not fully assuaged and spread of the pandemic overseas is still severe. Monetary policy should remain accommodative, yet the possibility of further loosening by the People's Bank of China ("PBOC") has declined as new credit has already hit a record high.

Eurozone real GDP growth contracted by 12.1% q-o-q in 2Q 2020 and by 3.6% in 1Q 2020, as compared to an expansion of 1.3% for the full year of 2019. The Markit Eurozone Composite PMI worsened to 48.5 in June 2020 as compared to 50.9 in December 2019. The Consumer Confidence Indicator declined to -14.7 in June 2020 as compared to -8.1 in December 2019, while CPI decreased to 0.3% y-o-y from 1.3% y-o-y over the same period.

In the euro area, the pandemic and the associated containment measures were taking a toll on productive capacity and domestic demand, and also led to a sharp increase in household savings, as consumption had decreased more strongly than income. Labour market conditions were rapidly deteriorating and a sizeable decline in euro area trade was expected. The European Central Bank ("ECB") responded by introducing and expanding the €1,350 billion pandemic emergency purchase programme ("PEPP") that aims to lower borrowing costs and increase lending until June 2021, expanded its asset purchase programme, and pledged to keep key ECB interest rates unchanged and expect them to remain at their present or lower levels.

Commodity

The Bloomberg Commodity Index decreased 19.7% in the first half of 2020. The COVID-19 outbreak and lockdown measures put in place resulted in sharp slowdown in economic activity that also greatly reduced demand for commodities. However, with the gradual easing of lockdowns and resumption of economic activity, commodity prices have picked up from the lows in March. Iron ore and gold prices have led the resurgence, as a strong recovery in China construction activity have led to buoyant demand for steel and hence iron, while continued uncertainties surrounding a second wave of infections saw investor flows into gold as a safe haven hedge. Energy prices have also rebounded as a result of significant supply cuts from OPEC, but aforementioned concerns continue to weigh on demand outlook. Energy prices have lagged other commodities, with Brent prices declining 34% in the first half of 2020.

Currency

The Singapore dollar nominal effective exchange rate (S$NEER) decreased over the first half of 2020. The S$NEER Index weakened from 128.38 as of 27th Dec 2019 to 125.87 as of 26th Jun 2020. In 1H 2020, SGD strengthened against GBP and KRW by 3.1% and 0.2% respectively, while weakening against EUR by 3.7%, USD by 3.4%, AUD by 1.7%, and CNY by 2.1%. At the April 2020 meeting, the Monetary Authority of Singapore ("MAS") decided to reduce the slope of the S$NEER to zero percent appreciation and lowered the mid-point slightly. It kept the width of the policy band unchanged.

According to the latest figures from the Ministry of Trade and Industry ("MTI") released in August, the Singapore economy contracted by 13.2% y-o-y in 2Q 2020 and by 0.3% in 1Q 2020, as compared to an expansion of 0.7% for the full year of 2019. On a q-o-q seasonally-adjusted annualised basis, real GDP contracted by 42.9% in 2Q 2020 and by 3.1% in 1Q 2020.

Singapore headline inflation decreased as the CPI-All Items Inflation for June 2020 came in at -0.5% y-o-y, compared to 0.8% in December 2019, which mainly reflected a smaller decline in private transport costs. The MAS Core Inflation, which excluded the cost of accommodation and private road transport, fell to -0.2% y-o-y, compared to 0.6% over the same period. Both MAS Core and CPI-All Items Inflation are projected to average between -1% and 0% in 2020.

TARGETED ASSET CLASSES

Listed Equities

Equities markets fell sharply initially in March as the spread of COVID-19 crossed China's borders and escalated into a global pandemic. Economic activity came to a halt as countries impose lockdowns. However, investors' risk appetites have since returned, due to aggressive policy action at unprecedented levels on both monetary and fiscal fronts by several of the major economies.

The sharp rally in the equity markets from the lows in March have seen several equity markets recovering back to end-2019 levels, have brought about concerns that markets are high. Current price-to-earnings multiples are already looking past the impact of COVID-19 and seemingly ignoring any short-term economic impact. That said, certain sectors and countries have lagged behind the recovery, which could present opportunities. Also, a foreseeable low interest rate environment in the short-term will support equity valuations. Going forward, caution is still called for, with the risks of a second wave of infections still present.

The MSCI All Country Asia ex-Japan Index decreased by 5.7% in USD terms and by 2.3% in SGD terms in the first half of 2020.

Bank Contingent Convertibles (CoCos)

Additional Tier 1 ("AT1") issuances for 1H 2020 declined to US$25.1 billion from US$93.6 billion in 1H 2019. Italian banks led with US$4.5 billion notional issued while UK, Chinese and German banks made up the remaining issuances. US$2.7 billion notional of AT1s were not called in 1H 2020, as the issuers cited the inability to refinance existing issues economically during the volatile March to April period.

Credit spreads on the CoCo market widened from 310 bps in 4Q 2019 to 614 bps in 1H 2020, having retraced from the wides of 1319 bps during the March sell-off. 1Q 2020 reporting season highlighted that asset quality remained broadly under control thanks to the combination of loan moratoriums, state guarantees and direct government relief. Banks reported increased provisioning for anticipated Covid-19 related loan losses.

Regulatory forbearance in the form of bank capital relief measures and the encouraged suspension of equity dividends and share buyback further point to a larger capital cushion for AT1 coupons and reduced write-down risk at this time for the AT1 asset class.

Looking forward, the scale of both the Fed and ECB enhanced support programs in the form of rates and credit purchases, alongside the creation of a European Recovery Fund, are likely to ease fundamental stress for the asset class. Spreads are expected to remain wide as investors remain cautious of the impact of state mandated loan payment holidays rolling off in 2H 2020.

The Bank of America Merrill Lynch Contingent Capital Index declined 4.0% in USD terms and 0.4% in SGD terms in 1H 2020.

Loan Portfolio and Securitisation Assets

Issuances of new US and European CLOs totalled US$34.2 billion and €11.0 billion respectively during 1H 2020. Over the same period, older US and European CLOs that were refinanced, reset or re-issued amounted to US$23.9 billion and €0.9 billion respectively.

In 1H 2020, net primary loan issuance was -US$3.8 billion due to high refinance volume in January and February and limited new issuances since March. US$99 billion of new loans was priced in 1H 2020 vs US$233.8 billion in 2H 2019. Secondary loan prices ended lower in June as both BB and B-rated loan spreads widened to 598 bps and 599 bps respectively from 200 bps and 334 bps in January. The S&P Leveraged Loan Index saw downgrades outpace upgrades by a ratio of 43 to 1 in May, vs 8.45 to 1 during the Great Financial Crisis. Quarterly repayments were 2.42% in 2Q 2020 and 6.05% in 1Q 2020, compared to 5.25% in 4Q 2019. Trailing 12-month defaults increased to 3.70% as of June 2020 against 1.3% in December 2019, exceeding the average default rate of 2.9% since 2010.

Looking forward, CLOs spreads have now retraced 60-83% of COVID-related spread widening, in line with other markets, and spread dispersion has decreased. Investors would still like to see an improvement in terms of lower CCC loan exposures due to downgrades (average CCC exposures were at 7.78% and 10.71% as rated by Moody's and S&P respectively as of June 2020) and underlying loan prices before concluding that the CLO price recovery is sustainable. The Palmer Square CLO Debt Index declined by 0.04% in USD terms but increased by 3.64% in SGD terms in 1H 2020.

In Australian public RMBS market, issuances totalled AUD35.0 billion in 1H 2020, flat against last year's issuance of AUD35.2 billion. During the first half of 2020, new prime RMBS issuances were priced within existing ranges aided by participation from Australian Office of Financial Management's Structured Finance Support Fund.

Fitch reported that Australia's 30+ days mortgage arrears had been unaffected by the coronavirus pandemic in 1Q 2020, but were expected to rise in late 2020. Due to mortgage payment deferrals of up to 6 months not being treated as in arrears, Fitch does not expect to see a significant increase in its 'Dinkum' index until the payment holiday ends. Initial feedback from issuers has suggested to Fitch that the take-up of payment holidays has been in the 7-9% range for prime and 20-22% for non-conforming mortgages. Due in part to the payment holidays, Fitch expects house price declines to be mild and RMBS losses to remain low.

China Domestic Bonds

China onshore bonds have proved to be resilient during the COVID-19 pandemic, as an aggressive response from the Chinese government brought the outbreak under control. Bond yields generally decreased, with 5-year government bond yields falling by 31 bps from the start of the year till June 2020, and 5-year AAA and AA-rated corporate bond yields falling by 8 bps and 6 bps over the same period respectively. However, credit spreads widened, with AAA, AA+ and AA 5-year credit spreads over treasuries increasing by 23 bps, 25 bps and 21 bps respectively, as concerns over the impact on the Chinese economy and on weaker companies saw a flight to quality.

Being the first-in-first-out of the COVID-19 pandemic, China is likely to be seen to lead the global economic recovery. The introduction of greater fiscal stimulus and looser credit following the latest NPC meeting will continue to support the bond market, but the PBOC had also highlighted some policy responses during the pandemic should be temporary and that policymakers should pay attention to their possible negative effects and consider a tapering plan in advance. As the economy recovers at a stable pace, monetary policy will focus more on maintaining loose credit conditions instead of relying on liquidity injections. Under the combination of targeted monetary policy and small reduction in interest rates, the bond market will likely witness greater volatility amidst mixed expectations.

The Bloomberg Barclays China Aggregate Index increased by 3.5% in CNY terms and by 6.0% in SGD terms for the first half of 2020.

Other Bonds

Asia credit has registered one of its worst performances historically amid the outbreak of COVID-19, with spreads reaching levels not seen since the height of the European sovereign crisis in 2011. Credit spreads, as measured by the J.P. Morgan Asia Credit Index, after touching their YTD tights of 184 bps on 17th January, proceeded to widen by 252 bps to YTD wides of 436 bps on 23rd March. Since then, credit spreads have tightened by 124 bps to 312 bps against the benchmark as sentiment improved amid a concerted global easing effort to counter the economic drag from the virus containment measures, essentially retracing about half of their widening.

From a global credit perspective, the trend is similar, driven by unprecedented policy support from central banks. Credit spread, as referenced from the Bloomberg Barclays Global High Yield Index, widened from 431 bps at the start of 2020 to 1192 bps at its widest on 23rd March, before tightening down to 660 bps as of end June.

The Bloomberg Barclays High Yield Index decreased by 4.7% in USD terms and by 1.3% in SGD terms for the first half of 2020.

Summary

The COVID-19 outbreak and the measures taken to protect public health have induced sharp declines in economic activity and a surge in job losses. Weaker demand and significantly lower oil prices are holding down consumer price inflation. The ongoing public health crisis will weigh heavily on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term.

Most asset classes rebounded from March's sharp sell-off with unprecedented policy support from governments and central banks across the major economies looked to have cushioned the initial blow of the pandemic. Encouraging macroeconomic data, especially improving employment data and PMIs from China and US, have further reinforced risk sentiments.

In a bid to reduce economic impact, several governments have been eager to loosen lockdowns in recent weeks, although an uptick in infection cases is observed in some of these countries once again. Markets remained resilient due to signs of success in vaccine trials. Economies are starting to reopen but the pace and shape of the global recovery remains uncertain while numerous risks lie ahead, like a re-escalation of US-China tensions and a potential second wave of infections. The search for yield will see investors continue to buy, but remaining nimble is key in view of these uncertainties. With that in consideration, the Company will continue to take a cautious stance in rebalancing its portfolio of assets and adopt a selective approach in its investments.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Half year ended 30 Jun 20 S$'000	Group Half year ended 30 Jun 19 S$'000
Income		
Dividend income	879	1,071
Interest income	7,439	7,260
Net foreign exchange gain (net of hedges)	1,684	-
Net gain/(loss) on financial assets at fair value through profit or loss	(16,572)	9,571
Total income	(6,570)	17,902
Expenses		
Management fees	(1,126)	(1,121)
Net foreign exchange loss (net of hedges)	-	(94)
Other operating expenses	(925)	(911)
Total expenses	(2,051)	(2,126)
Profit / (Loss) before tax	(8,621)	15,776
Income tax expense	(68)	(83)
Profit / (Loss) after tax	(8,689)	15,693
Total comprehensive income for the period attributable to shareholders	(8,689)	15,693
Basic earnings per share (cents per share)	(0.52)	0.92
Diluted earnings per share (cents per share)	(0.52)	0.92

STATEMENT OF FINANCIAL POSITION

	Group As at 30 Jun 20 S$'000	Group As at 31 Dec 19 S$'000	Company As at 30 Jun 20 S$'000	Company As at 31 Dec 19 S$'000
ASSETS				
Non-current assets				
Financial assets at fair value through profit or loss	236,969	198,679	236,969	198,679
	236,969	198,679	236,969	198,679
Current assets				
Cash and cash equivalents	12,654	40,945	12,654	40,945
Financial assets at fair value through profit or loss	51,542	79,896	51,542	79,896
Other assets	4,738	4,143	4,738	4,143
	68,934	124,984	68,934	124,984
Total Assets	305,903	323,663	305,903	323,663
LIABILITIES				
Other liabilities	12,349	2,765	12,349	2,765
Total Liabilities	12,349	2,765	12,349	2,765
Net assets attributable to shareholders	293,554	320,898	293,554	320,898
EQUITY				
Share capital	270,837	270,837	270,837	270,837
Treasury shares	(14,787)	(4,203)	(14,787)	(4,203)
Capital reserve	2	2	2	2
Retained earnings	37,502	54,262	37,502	54,262
Total Equity	293,554	320,898	293,554	320,898
Net asset value per share (S$ per share)	0.1819	0.1895	0.1819	0.1895

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Half year ended 30 Jun 20 S$'000	Group Half year ended 30 Jun 19 S$'000
Cash flows from operating activities		
Operating costs paid	(3,596)	(2,276)
Interest income received	7,301	6,852
Dividend income received	462	656
Income tax paid	(68)	(83)
Net cash inflow from operating activities	4,099	5,149
Cash flows from investing activities		
Purchase of financial assets	(49,395)	(17,665)
Redemption/maturity of financial assets	24,543	2,022
Proceeds from disposal of financial assets	1,192	14,548
Net cash outflow used in investing activities	(23,660)	(1,095)
Cash flows used in financing activities		
Dividends paid	-	(3,914)
Purchase of treasury shares	(10,523)	(7,791)
Net cash outflow used in financing activities	(10,523)	(11,705)
Net decrease in cash and cash equivalents	(30,084)	(7,651)
Cash and cash equivalents at beginning of period	40,945	35,363
Effects of exchange rate changes on cash and cash equivalents	1,793	(57)
Cash and cash equivalents at end of period	12,654	27,655

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity of the Group for the half year ended 30 June 2020	**Share capital S$'000**	**Treasury shares S$'000**	**Capital reserve S$'000**	**Retained earnings S$'000**	**Total S$'000**
Total equity at 1 January 2020	270,837	(4,203)	2	54,262	320,898
Total comprehensive income for the half year ended 30 June 2020	-	-	-	(8,689)	(8,689)
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(10,584)	-	-	(10,584)
Dividend for the period	-	-	-	(8,071)	(8,071)
Total equity at 30 June 2020	270,837	(14,787)	2	37,502	293,554

Changes in shareholders' equity of the Group for the half year ended 30 June 2019	**Share capital S$'000**	**Treasury shares S$'000**	**Capital reserve S$'000**	**Retained earnings S$'000**	**Total S$'000**
Total equity at 1 January 2019	270,837	-	-	51,376	322,213
Total comprehensive income for the half year ended 30 June 2019	-	-	-	15,693	15,693
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(7,960)	-	-	(7,960)
Dividend for the period	-	-	-	(8,429)	(8,429)
Transfer of treasury shares[1]	-	4,505	10	-	4,515
Total equity at 30 June 2019	270,837	(3,455)	10	58,640	326,032

[1.] This relates to the transfer of treasury shares for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme. Any realised gain or loss will be recognised in the capital reserve.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

Changes in shareholders' equity of the Company for the half year ended 30 June 2020	Share capital S$'000	Treasury shares S$'000	Capital reserve S$'000	Retained earnings S$'000	Total S$'000
Total equity at 1 January 2020	270,837	(4,203)	2	54,262	320,898
Total comprehensive income for the half year ended 30 June 2020	-	-	-	(8,689)	(8,689)
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(10,584)	-	-	(10,584)
Dividend for the period	-	-	-	(8,071)	(8,071)
Total equity at 30 June 2020	270,837	(14,787)	2	37,502	293,554

Changes in shareholders' equity of the Company for the half year ended 30 June 2019	Share capital S$'000	Treasury shares S$'000	Capital reserve S$'000	Retained earnings S$'000	Total S$'000
Total equity at 1 January 2019	270,837	-	-	51,376	322,213
Total comprehensive income for the half year ended 30 June 2019	-	-	-	15,693	15,693
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(7,960)	-	-	(7,960)
Dividend for the period	-	-	-	(8,429)	(8,429)
Transfer of treasury shares[1]	-	4,505	10	-	4,515
Total equity at 30 June 2019	270,837	(3,455)	10	58,640	326,032

[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 0.40 Singapore cents per share for the financial year ending 31 December 2020. This dividend will be paid on or about 7 October 2020.

For the financial year ending 31 December 2020, the Company has obtained the Inland Revenue Authority of Singapore's confirmation that it is a tax resident of Singapore.

Dividends paid in 2020 are exempt from tax (one-tier) when received in the hands of Shareholders.

Ordinary Shares	Group 2020	Group 2019
Interim Dividend		
Dividend per Share (cents)	0.40	0.50
Dividend amount (S$'000)	6,454*	8,432
Final Dividend		
Dividend per Share (cents)	-	0.50
Dividend amount (S$'000)	-	8,071
Total Dividend (S$'000)	**6,454**	**16,503**

* FY20 interim dividend is calculated based on the number of outstanding shares as at 30 June 2020.

CHANGES IN SHARE CAPITAL

The movement in the number of issued and fully paid-up ordinary shares is as follows:

Number of shares	Half year ended 30 Jun 20 '000	Half year ended 30 Jun 19 '000
Issued ordinary shares		
Balance at beginning and end of period	1,723,842	1,723,842
Shares issued pursuant to Scrip Dividend Scheme	-	-
Balance at end of period	1,723,842	1,723,842
Treasury shares		
Balance at beginning of period	(30,313)	-
Purchase of treasury shares	(80,053)	(60,738)
Transfer of treasury shares[1]	-	34,731
Balance at end of period	(110,366)	(26,007)
Issued ordinary shares net of treasury shares	**1,613,476**	**1,697,835**

[1] On 21 June 2019, 34,731,270 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme.

The Company has no subsidiary holdings as at 30 June 2020 and 30 June 2019.

Under the Share Buy Back Mandate, the Company purchased a total of 80,053,100 ordinary shares during 1H 2020. These are held as treasury shares. The amount paid, including brokerage fee, totalled S$10.58 million and was deducted against equity.

As at 30 June 2020, the outstanding number of treasury shares represented 6.84% (30 June 2019: 1.53%) of the total number of issued shares.

NET ASSET VALUE

	Group and Company As at 30 Jun 20	**Group and Company As at 31 Dec 19**
Total net asset value (S$'000)	293,554	320,898
Total number of ordinary shares in issue used in calculation of net asset value per share ('000)	1,613,476	1,693,529
Net asset value per ordinary share (S$ per share)	0.1819	0.1895

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 2020 was 18.19 Singapore cents after declaration of 2019 final dividend of 0.50 Singapore cents per share as compared to 18.95 Singapore cents as at 31 December 2019. After adjusting for the 2019 final dividend, the net asset value per share as at 30 June 2020 would have been 18.69 Singapore cents and the decrease in net asset per share would have been 1.4% for the half year ended 30 June 2020.

EARNINGS PER SHARE

	Group Half year ended 30 Jun 20	**Group Half year ended 30 Jun 19**
Basic earnings per share		
Earnings used in calculation of basic earnings per share (S$'000)	(8,689)	15,693
Weighted average number of shares in issue used in calculation of basic earnings per share ('000)	1,659,310	1,699,860
Basic earnings per share (cents per share)	(0.52)	0.92
Diluted earnings per share		
Earnings used in calculation of diluted earnings per share (S$'000)	(8,689)	15,693
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,659,310	1,699,860
Diluted earnings per share (cents per share) [1]	(0.52)	0.92

[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 their attention which may render the financial statements for the half year ended 30 June 2020 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
12 August 2020

Ronald Seah Lim Siang
Director
12 August 2020