

GLOBAL INVESTMENTS LIMITED

SGX Quarterly Report
30 September 2016

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PERFORMANCE REVIEW

QUARTER ENDED 30 SEPTEMBER 2016

The Company and its subsidiaries ("the Group") reported a profit after tax of S$4.4 million in 3Q 2016, lower than the S$12.7 million recorded in 3Q 2015 due to the reversal of impairment of S$10.0 million for Seiza Series 2006-01 Class G note effected in 3Q 2015.

REVENUE

Revenue increased by 110.3% to S$8.2 million in 3Q 2016 from S$3.9 million in 3Q 2015. The increase was mainly due to the net gain on financial assets designated as fair value through profit or loss of S$1.1 million in 3Q 2016 whereas in 3Q 2015, a loss of S$2.3 million was recorded. Interest income rose by 19.4% to S$4.3 million in 3Q 2016 from S$3.6 million recorded in 3Q 2015, and a foreign exchange gain of S$1.0 million was recorded in 3Q 2016 versus a loss of S$0.2 million in 3Q 2015. The higher revenue was offset slightly by a lower gain on sale of investments during the quarter.

EXPENSES

Total expenses remained relatively unchanged for 3Q 2016 and 3Q 2015 at S$1.0 million and S$1.1 million respectively.

IMPAIRMENT EXPENSE / REVERSAL OF IMPAIRMENT

During the quarter, the Group recognised an impairment of S$2.8 million from its portfolio of listed equities and Avoca VII Class G note classified under available-for-sale ("AFS") financial assets. In 3Q 2015, there was a one time reversal of impairment of S$10.0 million for Seiza Series 2006-1 Class G note.

OTHER COMPREHENSIVE INCOME

Other comprehensive income for the Group amounted to S$12.4 million in 3Q 2016 compared to a loss of S$11.0 million in 3Q 2015. This was mainly contributed by a net fair value gain of S$7.5 million from AFS financial assets and a reclassification of net fair value loss of S$3.2 million to profit and loss following impairment and sale of the AFS financial assets. In addition, a translation gain of S$1.7 million was recorded in the current quarter following the strengthening of USD against SGD. In the same quarter last year, other comprehensive income amounted to a loss of S$11.0 million. The loss was mainly due to net fair value loss of S$13.3 million from AFS financial assets and reclassification of fair value gain to profit or loss of S$4.1 million following the sale of listed equities, offset by a translation gain of S$6.4 million.

Total comprehensive income for 3Q 2016 of S$16.7 million was almost 9 times higher than the S$1.7 million recorded in 3Q 2015.

9 MONTHS ENDED 30 SEPTEMBER 2016

For the 9 months ended 30 September 2016, the Group's net profit was S$16.7 million, lower than the S$25.0 million recorded in the same period last year.

REVENUE

Total revenue for the 9 months ended 30 September 2016 was S$29.1 million, an increase of 25.4% from S$23.2 million in the same period last year. Net fair value gain on financial assets designated as fair value through profit or loss for the current period was S$0.9 million versus a loss of S$3.0 million in the comparative period. Interest income increased by 22.4 % to S$12.0 million in the current period from S$9.8 in the comparative period. However, the higher revenue was offset slightly by lower dividend income of S$1.2 million during the period.

EXPENSES

Total expenses for the 9 months ended 30 September 2016 was S$4.1 million, a decrease of 48.8% from S$8.0 million in the same period last year. The lower expense was mainly due to the absence of incentive fee of S$2.8 million in the current period and lower net foreign exchange loss of S$1.0 million versus S$2.2 million in the comparative period.

IMPAIRMENT EXPENSE / REVERSAL OF IMPAIRMENT

The Group recognised an impairment expense of S$8.2 million for the period ended 30 September 2016 arising from the impairment of listed equities and Avoca VII Class G note classified under the AFS financial assets. For the period ended 30 September 2015, the Group recognised a reversal of impairment from Seiza Series 2006-1 Class G note of S$10.0 million.

OTHER COMPREHENSIVE INCOME

Other comprehensive income for the period ended 30 September 2016 amounted to S$0.2 million compared to a loss of S$13.6 million in the comparative period. This was mainly contributed by a net fair value gain of S$3.9 million for AFS financial assets and reclassification of fair value loss of S$0.8 million to profit and loss following the impairment and sale of AFS financial assets. The gain was partially offset by S$4.5 million translation loss.

In the same period last year, the loss of S$13.6 million was mainly due to the reclassification of fair value gain of S$13.8 million to profit and loss following the sale of listed equities as well as net fair value loss of S$8.3 million from AFS financial assets. The loss was partially offset by a translation gain of S$8.6 million following the strengthening of USD against SGD.

Total comprehensive income for the period ended 30 September 2016 of S$16.9 million was 48.2% higher than the S$11.4 million recorded in the same period last year.

STATEMENT OF FINANCIAL POSITION

LOANS AND RECEIVABLES

The loans and receivables as at 30 September 2016 was S$53.8 million compared to S$57.7 million as at 31 December 2015. The lower balance was mainly due to full redemption of a residential mortgage-backed security (“RMBS”), slightly offset by a net purchase of collateralised loan obligation (“CLO”) securities in the current period.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

The AFS financial assets of S$169.3 million as at 30 September 2016 comprised investments in listed equities, bonds and CLOs. The increase of S$20.8 million from S$148.5 million as at 31 December 2015 was mainly due to the net purchase of bonds offset by the sale of Ascendos Investments Limited.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at fair value through profit or loss as at 30 September 2016 was S$61.3 million 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$16.6 million as at 30 September 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 September 2016 was 19.6 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 as well as the interim dividend declared in August 2016. 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. After adjusting for the 2016 interim dividend, the net asset value per share as at 30 September 2016 would have been 20.4 Singapore cents and the increase in net asset value per share would be 6.3%.

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 September 2016 comprised the following assets:

LOAN PORTFOLIO AND SECURITISATION ASSETS

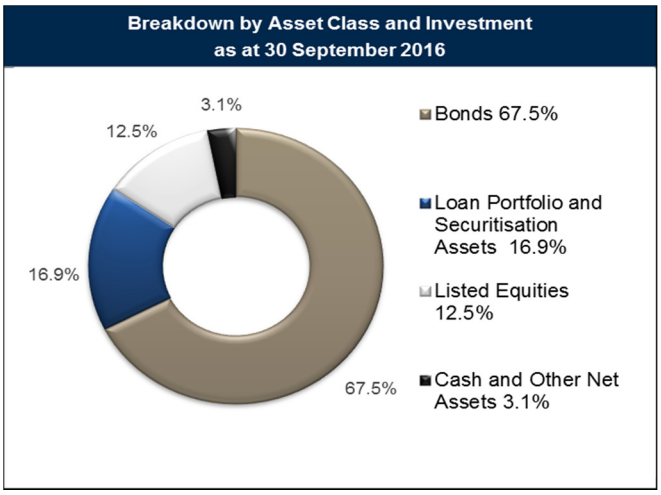
The Group is invested in a portfolio of USD and EUR denominated CLO. The CLO investments are in mezzanine and subordinated notes which are issued by securitisation vehicles that hold collateral consisting of mainly senior secured corporate loans. In addition, the Group is invested in a few Australian RMBS, which are securitisation vehicles that hold Australian residential mortgage loans.

BONDS

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



BUSINESS OUTLOOK[1]

MACROECONOMIC OUTLOOK

The International Monetary Fund ("IMF") maintained its outlook for global economic growth for 2016 at 3.1% and its growth forecast for 2017 at 3.4%, reflecting a subdued outlook for advanced economies following the UK vote to leave the European Union ("EU") as the impact remains uncertain on how institutional and trade arrangements between the UK and the EU will be affected. Slower productivity growth in advanced economies pose challenges to world trade, although there is gradual improvement in major emerging economies on the back of recent recovery in commodity prices and reduced concern over China's long term prospects.

In the US, Gross Domestic Product ("GDP") increased strongly by 2.9% quarter-on-quarter ("q-o-q") in 3Q 2016 after growing 1.4% q-o-q in 2Q 2016. The ISM Manufacturing Purchasing Manager Index ("PMI") declined slightly to 51.5 in September from 53.2 in June 2016, while the ISM Non-Manufacturing PMI Index rose to 57.1 from 56.5 in June. Meanwhile, headline inflation increased but remained low. The Consumer Price Index ("CPI") gained 1.5% year-on-year ("y-o-y") in September compared to 1.0% y-o-y in June 2016. The US unemployment rate rose to 5.0% in September from 4.9% in June as the participation rate increased from 62.7% to 62.9%. The increase in the labour force participation rate suggests that the labour market may not have reached full capacity and there may still be outstanding slack, implying only a gradual wage increase. Despite the mixed macroeconomic backdrop, the Federal Reserve ('the Fed") Chairwoman Janet Yellen reaffirmed the central bank's view that downside risks to the outlook have diminished and expressed cautious optimism on the US economy, leading to expectations that the Fed may increase rates again before the end of 2016.

In the eurozone, economic data continued to indicate lacklustre growth and low inflation. Eurozone GDP rose 1.6% y-o-y in 3Q 2016, the same as in 2Q 2016. The Markit Eurozone Composite PMI, which tracks sentiment among purchasing managers at manufacturing and service sectors, declined marginally to 52.6 in September from 53.1 in June 2016, indicating growth remains weak. The Consumer Confidence Indicator deteriorated from -7.2 to -8.2. Inflation rose to 0.4% y-o-y in September from 0.1% y-o-y in June. During its September policy meeting, the European Central Bank ("ECB") kept interest rates unchanged and continued to expect the rates to remain at present or lower levels for an extended period of time. In the UK, the impact from Brexit remains a major uncertainty to its economy. The Bank of England cut policy rates by 25 basis points in August and is expanding its quantitative easing policy in order to support growth.

In China, economic indicators were generally mixed. The country's GDP remained at 6.7% y-o-y in 3Q 2016, indicating that the economic slowdown might have stabilized. The Caixin Manufacturing PMI rose to 50.1 in September from 48.6 in June 2016, suggesting that investment activities have recovered modestly. The Caixin Services PMI declined slightly from 52.7 to 52.0. Industrial output was growing at 6.1% y-o-y in September, slightly lower than 6.2% y-o-y in June. Private consumption remained relatively constant, with retail sales growing at 10.7% y-o-y in September 2016. Exports growth deteriorated sharply to -10.0% y-o-y compared to -4.8% y-o-y, while import growth improved to -1.9% y-o-y from -8.4% y-o-y. Inflation is relatively stable at 1.9% y-o-y in September 2016. The People's Bank of China ("PBOC") increased liquidity injection in open market operations and through reverse repos, reflecting their intention to maintain stable liquidity and low funding cost. Going forward, the PBOC is expected to maintain its current tone of monetary policy. The Chinese government is likely to continue their supportive policy for infrastructure investment, which is one pillar of economic growth for China. The supply side structural reforms are ongoing so as to improve efficiency and to reduce excess capacity in selective industries.

Currency

The Singapore dollar nominal effective exchange rate (S$NEER) movements over the past quarter have been on a general decline. Reversing the trend from 2Q 2016, S$NEER Index has fallen from 126.07 to 124.46 over 3Q 2016. The weakness was largely contributed by the expectation of near-term weakness in domestic inflation and growth. In 3Q 2016, SGD, with the exception of GBP, weakened against most major currencies – SGD depreciated against EUR by 2.28%, USD by 1.23%, JPY by 2.61%, AUD by 3.86% and CNY by 0.84%. Over the same period, the SGD strengthened against GBP by 2.06%.

In its half-yearly Macroeconomic Review released in mid-late October, the Monetary Authority of Singapore ("MAS") noted that the domestic economy is currently in a cyclical downturn and growth "is not expected to pick up significantly in the near term" due to lacklustre external demand and weak global trade. According to the Ministry of Trade and Industry's ("MTI") advance estimates, the Singapore economy grew by 0.6% y-o-y in the third quarter of 2016, easing from the 2.0% growth in the previous quarter. On a quarter-on-quarter seasonally adjusted annualized ("q-o-q SAA") basis, real GDP contracted by 4.1%, in stark contrast with the 0.2% growth in 2Q 2016.

Singapore's headline inflation declined for a record 23 straight months this September, as the September CPI-All items inflation statistic from MTI came in at -0.2% y-o-y compared to -0.7% y-o-y in June. The key drivers are the softer drop in private road transport cost, and to a smaller extent, higher food inflation. MAS Core Inflation, which excludes the cost of accommodation and private road transport, was down marginally to 0.9% y-o-y in September from 1.1% y-o-y in June, primarily due to fall in prices of retail items and lower service inflation. The subdued growth outlook for Singapore's economy is expected to keep inflationary pressures modest.

Despite a sharp economic contraction in the third quarter, the MAS held the S$NEER policy steady in its latest monetary policy decision earlier in October.

TARGETED ASSET CLASSES

Loan Portfolio and Securitisation Assets

Over the quarter, US CLO issuance totalled US$28 billion while European CLO deals printed about €4.3 billion. Strong demand for floating rate US CLO debt drove spreads to year-to-date tights. The Palmer Square CLO Debt Index, which tracks the value of US mezzanine CLO debt tranches, gained 6.91% q-o-q in 3Q 2016. Spreads tightening in the broader credit markets lent support for European CLOs. An easy monetary policy maintained by ECB and Bank of England ("BOE") remains supportive of European CLOs although future volatility could be triggered by European financial and global political headline risks. Re-financing of CLO deals is expected to continue to be a dominant theme in the US CLO market as well as a growing focus in the European CLO market.

Bonds

The third quarter saw a calmer bond market compared to the previous quarter. Sell-offs in the global markets in a knee-jerk reaction to June's Brexit vote were short lived as markets rebounded strongly and investors returned to focus on major central banks and assessing policy moves. Global corporate bonds performed strongly over the period as investors continued to buy high quality papers for yield. Overall, Asian credits also performed strongly supported by inflows into emerging market bond funds post the Brexit vote as well as improved sentiments, particularly in China and recent recovery in oil prices.

Bank issuers performed well during the quarter. The recovery in the Brazilian financial credits was due to positive expectations of Brazilian economic reforms post-impeachment, and investment grade bonds supply shrinking on the back of the ECB bond stimulus program pushing some bond investors out in duration and down the capital structure into contingent convertible capital instruments ("CoCos"). Post-Brexit vote, European & UK banks have continued to issue over US$6 billion new CoCos which were well received by investors after banking regulators acted to reduce uncertainty over CoCos coupon via the issuance of clarification notes on coupon stoppage levels as well as relaxed minimum capital requirements among the UK banks. Fundamentally, capital ratios have continued to improve q-o-q on the back of stable economic trends and lower non-performing asset formation within the EU.

In the near term, given strong performance in corporate bonds in recent quarters, investors are likely to protect returns and be cautious in anticipation of increased market volatility due to uncertainty in the direction and implementation of policy changes under a Trump presidency in the US as well as the likelihood of the Fed hiking interest rates in December. Trump's victory has also led to the market anticipating higher inflation on the back of his potentially expansionary fiscal stance, with bond yields rising and yield curves steepening globally.

The JP Morgan Asia Credit Index, which tracks the Asian bond markets, gained 3.61% in SGD terms in 3Q 2016 while the JP Morgan US Liquid Index, which tracks the investment grade dollar denominated corporate bond index, climbed 2.64% in SGD terms in the same period.

Listed Equities

It was a generally positive quarter for global equity markets with most regions making gains in the period. Better-than-expected economic data and corporate earnings drove the US equity market higher despite growing expectation of interest rates hike in December. Domestically oriented sectors in the UK deemed most exposed to Brexit enjoyed a relief rally after economic data suggested that the negative impact on growth so far had been less than feared. In Japan, investors' attention was drawn to the review of monetary policy undertaken by the Bank of Japan at its September meeting but there was no change in short term rates though a shift to yield curve targeting was announced. Chinese equities saw some of the largest gain during the period due to expectations of further expansionary fiscal policy and accommodative monetary policy from the Chinese government. Emerging markets have benefited from substantial relocation of capital away from developed markets, even though the emerging market macro outlook has not improved materially. In the near term, the equity market may be volatile as investors are likely to cautiously observe policy changes from the newly formed Trump administration.

The MSCI World Index, which tracks the global equity markets, gained 5.5% in SGD terms in 3Q 2016.

Summary

Despite improvement in the financial markets, the global macro environment remains challenging for the rest of 2016 and into 2017. In Europe, political headwinds prevent necessary structural reforms and limit meaningful fiscal stimulus programs. The risk is rising that December's senate referendum will be rejected in Italy, while anti-EU parties might also make gains in next year's German and French elections. In the UK, the government's uncompromising EU stance is paving

the way for a hard Brexit. Given Trump's victory in the US Presidential election, there will likely be a change in economic direction for the US although the degree of this change remains uncertain. Furthermore, geopolitical conflicts, terrorism and refugee flows continue to complicate the global economic environment. Brent Crude was down 1.3% over the quarter despite a rally in September as OPEC announced an outline agreement to a production cut. Nevertheless, with a still high oil inventory and a stronger USD, oil fundamentals are likely to remain weak which will present strong headwinds to the oil and gas sector.

In view of the market volatility and challenging economic environment, the Company will take a cautious stance and selective approach in its investment.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Quarter ended 30 Sep 16 S$'000	Group Year to date 30 Sep 16 S$'000	Group Quarter ended 30 Sep 15 S$'000	Group Year to date 30 Sep 15 S$'000
Revenue				
Dividend income	419	1,209	657	2,281
Interest income	4,307	12,046	3,618	9,759
Net foreign exchange gain (net of hedges)	937	-	-	-
Net gain on sale of investments	1,189	14,624	1,896	14,219
Net gain/(loss) on financial assets designated as fair value through profit or loss	1,088	871	(2,291)	(3,027)
Other income	307	307	-	-
Total revenue	8,247	29,057	3,880	23,232
Expenses				
Management fees	(497)	(1,450)	(460)	(1,448)
Incentive fees	-	-	-	(2,840)
Net foreign exchange loss (net of hedges)	-	(989)	(163)	(2,173)
Finance costs	-	(1)	(1)	(2)
Other operating expenses	(544)	(1,634)	(511)	(1,552)
Total expenses	(1,041)	(4,074)	(1,135)	(8,015)
(Net impairment expense)/ Net reversal of impairment expense	(2,815)	(8,199)	10,007	10,007
Profit before tax	4,391	16,784	12,752	25,224
Income tax expense	(13)	(60)	(61)	(230)
Profit after tax	4,378	16,724	12,691	24,994
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Available-for-sale financial assets				
- Fair value gain/(loss)	7,516	3,852	(13,319)	(8,349)
- Reclassification to profit or loss	3,193	822	(4,130)	(13,841)
Currency translation differences arising from consolidation				
- Gain/(loss)	1,657	(4,515)	6,435	8,590
Other comprehensive income for the period after tax	12,366	159	(11,014)	(13,600)
Total comprehensive income for the period attributable to shareholders	16,744	16,883	1,677	11,394
Basic earnings per share (cents per share)	0.29	1.13	0.91	1.83
Diluted earnings per share (cents per share)	0.29	1.13	0.91	1.83

STATEMENT OF FINANCIAL POSITION

	Group As at 30 Sep 16 S$'000	Group As at 31 Dec 15 S$'000	Company As at 30 Sep 16 S$'000	Company As at 31 Dec 15 S$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	-	-	89,247	121,631
Loans and receivables	53,804	57,727	-	-
Available-for-sale financial assets	131,405	96,425	131,405	74,355
Financial assets at fair value through profit or loss	61,346	53,946	61,346	53,946
	246,555	208,098	281,998	249,932
Current assets				
Cash and cash equivalents	16,592	29,110	15,463	13,228
Available-for-sale financial assets	37,852	52,083	33,567	46,674
Other assets	4,830	4,437	4,807	4,339
	59,274	85,630	53,837	64,241
Total Assets	305,829	293,728	335,835	314,173
LIABILITIES				
Intercompany payables	-	-	30,105	20,465
Other liabilities	12,421	1,514	12,322	1,494
Total Liabilities	12,421	1,514	42,427	21,959
Net assets attributable to shareholders	293,408	292,214	293,408	292,214
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	8,265	3,591	6,120	(2,948)
Translation reserve	9,511	14,026	-	-
Accumulated losses	(200,740)	(195,394)	(189,084)	(174,829)
Total Equity	293,408	292,214	293,408	292,214
Net asset value per share (S$ per share)	0.196	0.202	0.196	0.202

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Quarter ended 30 Sep 16 S$'000	Group Year to date 30 Sep 16 S$'000	Group Quarter ended 30 Sep 15 S$'000	Group Year to date 30 Sep 15 S$'000
Cash flows used in/from operating activities				
Operating costs paid	(1,388)	(3,637)	(4,562)	(7,018)
Interest income received	4,130	11,675	3,078	8,925
Dividend income received	620	1,099	833	2,183
Settlement of forward contracts	-	2,465	-	-
Income tax paid	(12)	(59)	(74)	(229)
Net cash inflow from operating activities	3,350	11,543	(725)	3,861
Cash flows used in/from investing activities				
Purchase of financial assets	(21,920)	(81,377)	(41,432)	(146,902)
Loan repayments received	69	3,415	673	5,923
Proceeds from disposal of financial assets	13,078	59,477	34,121	124,833
Net cash outflow from investing activities	(8,773)	(18,485)	(6,638)	(16,146)
Cash flows used in financing activities				
Dividends paid	-	(4,466)	-	(2,679)
Net cash flows used in financing activities	-	(4,466)	-	(2,679)
Net decrease in cash and cash equivalents	(5,423)	(11,408)	(7,363)	(14,964)
Cash and cash equivalents at beginning of period	21,794	29,110	23,591	31,252
Effects of exchange rate changes on cash and cash equivalents	221	(1,110)	(1)	(61)
Cash and cash equivalents at end of period	16,592	16,592	16,227	16,227

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity of the Group for the quarter and period ended 30 September 2016	Share capital S$'000	Capital reserve[1] S$'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 half year ended 30 June 2016	-	-	(6,035)	(6,172)	12,346	139
Transactions with equity holders in their capacity as equity holders:						
Dividends for the period	-	-	-	-	(10,848)	(10,848)
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
Total comprehensive income for the 3rd quarter ended 30 September 2016	-	-	10,709	1,657	4,378	16,744
Transactions with equity holders in their capacity as equity holders:						
Dividends for the period	-	-	-	-	(11,222)	(11,222)
Total equity at 30 September 2016	542,218	(65,846)	8,265	9,511	(200,740)	293,408

Changes in shareholders' equity of the Group for the quarter and period ended 30 September 2015	Share capital S$'000	Capital reserve[1] S$'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 half year ended 30 June 2015	-	-	(4,742)	2,155	12,303	9,716
Transactions with equity holders in their capacity as equity holders:						
Dividends for the period	-	-	-	-	(10,009)	(10,009)
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
Total comprehensive income for the 3rd quarter ended 30 September 2015	-	-	(17,449)	6,435	12,691	1,677
Transactions with equity holders in their capacity as equity holders:						
Dividends for the period	-	-	-	-	(10,432)	(10,432)
Total equity at 30 September 2015	528,723	(65,846)	(7,462)	14,890	(187,301)	283,004

[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 period ended 30 September 2016	Share capital S$'000	Capital reserve[1] S$'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 half year ended 30 June 2016	-	-	1,783	(1,644)	139
Transactions with equity holders in their capacity as equity holders:					
Dividends for the period	-	-	-	(10,848)	(10,848)
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
Total comprehensive income for the 3rd quarter ended 30 September 2016	-	-	7,285	9,459	16,744
Transactions with equity holders in their capacity as equity holders:					
Dividends for the period	-	-	-	(11,222)	(11,222)
Total equity at 30 September 2016	542,218	(65,846)	6,120	(189,084)	293,408

Changes in shareholders' equity of the Company for the quarter and period ended 30 September 2015	Share capital S$'000	Capital reserve[1] S$'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 half year ended 30 June 2015	-	-	2,818	6,898	9,716
Transactions with equity holders in their capacity as equity holders:					
Dividends for the period	-	-	-	(10,009)	(10,009)
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
Total comprehensive income for the 3rd quarter ended 30 September 2015	-	-	(16,331)	18,008	1,677
Transactions with equity holders in their capacity as equity holders:					
Dividends for the period	-	-	-	(10,432)	(10,432)
Total equity at 30 September 2015	528,723	(65,846)	(12,932)	(166,941)	283,004

[1] 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

No dividend has been declared in respect of the current period.

On 5 August 2016, the Company has declared a dividend of 0.75 Singapore cents per share for the period 1 January 2016 to 30 June 2016 amounting to S$11.22 million. This dividend has been paid on 12 October 2016.

Ordinary Shares	**Group 2016**	**Group 2015**
Interim Dividend		
Dividend per Share (cents)	0.75	0.75
Dividend amount (S$'000)	11,222	10,432
Final Dividend		
Dividend per Share (cents)	-	0.75
Dividend amount (S$'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 nine months ended 30 September 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 from 1 January 2016 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
Movements from 1 July 2016 to 30 September 2016	-	-	-	-
Total share capital as at 30 September 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 Sep 16	Company As at 30 Sep 16	Group As at 31 Dec 15	Company As at 31 Dec 15
Total net asset value (S$'000)	293,408	293,408	292,214	292,214
Total number of ordinary shares in issue used in calculation of net asset value per share ('000)	1,496,290	1,496,290	1,446,434	1,446,434
Net asset value per ordinary share (S$ per share)	0.196	0.196	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 September 2016 was 19.6 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 as well as the interim dividend declared in August 2016. 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. After adjusting for the 2016 interim dividend, the net asset value per share as at 30 September 2016 would have been 20.4 Singapore cents and the increase in net asset value per share would be 6.3%.

EARNINGS PER SHARE

	Group Quarter ended 30 Sep 16	Group Year to date 30 Sep 16	Group Quarter ended 30 Sep 15	Group Year to date 30 Sep 15
Basic earnings per share				
Earnings used in calculation of basic earnings per share (S$'000)	4,378	16,724	12,691	24,994
Weighted average number of shares in issue used in calculation of basic earnings per share ('000)	1,496,290	1,475,001	1,390,855	1,367,930
Basic earnings per share (cents per share)	0.29	1.13	0.91	1.83
Diluted earnings per share				
Earnings used in calculation of diluted earnings per share (S$'000)	4,378	16,724	12,691	24,994
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,496,290	1,475,001	1,390,855	1,367,930
Diluted earnings per share (cents per share) [1]	0.29	1.13	0.91	1.83

[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 September 2016 to be false or misleading in any material respect.

On behalf of the Board of Directors

Boon Swan Foo
Chairman
14 November 2016

Jason See Yong Kiat
Manager Nominated Director
14 November 2016