



# GLOBAL INVESTMENTS LIMITED

## **SGX Quarterly Report 30 June 2014**

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This financial report is not an offer or invitation for subscription or purchase or recommendation of GIL shares. It does not take into account the investment objectives, financial situation and particular needs of an investor. Before making an investment in GIL, an investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

STAM, as manager of GIL is entitled to fees for so acting. STAM and its related corporations, together with their respective officers and directors, may hold shares in GIL from time to time.

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

### **QUARTER ENDED 30 JUNE 2014**

The Company and its subsidiaries (“the Group”) reported a profit after tax of S\$8.6 million in the current quarter, 4.3% lower when compared to S\$9.0 million in the same quarter last year. Total comprehensive income recorded for the quarter was S\$7.1 million versus S\$8.9 million in the comparative period.

#### **REVENUE**

Revenue for the current quarter was S\$8.2 million. The lower revenue as compared to the S\$13.5 million recorded in the same quarter last year was due to the absence of the S\$7.0 million gain arising from the redelivery and sale of the two aircraft. The drop was cushioned by higher dividend and interest income as well as fair value gains from financial assets designated as fair value through profit or loss.

#### **EXPENSES**

Total expenses for the quarter was lower at S\$1.5 million as compared to S\$4.6 million in 2Q 2013. The decrease was due to the absence of foreign exchange losses in the current quarter as well as absence of depreciation expense and finance costs following the sale of the aircraft, offset partially by the incentive fee charged in the current quarter.

#### **REVERSAL OF IMPAIRMENT AND SHARE OF PROFIT OF ASSOCIATED COMPANY**

During the quarter, there was a net reversal of impairment amounting to S\$1.2 million due to reversal of impairment for AVOCA VII G note partially offset by further impairment of Seiza Series 2006-1 Class G note.

The Group recorded a higher share of profit in an associated company, Ascendos Investments Limited (“Ascendos”) of S\$1.0 million in 2Q 2014 as compared to S\$0.3 million in 2Q 2013. Dividend income of S\$0.5 million received in 2Q 2014 was taken against the carrying value of the investment.

#### **OTHER COMPREHENSIVE INCOME**

Other comprehensive loss amounted to S\$1.5 million for this quarter. The loss was mainly due to a negative net movement of S\$3.8 million under the available-for-sale financial assets (“AFS”) revaluation reserve as a result of the reclassification of fair value gain to profit and loss following the sale of listed equities and the reversal of impairment for AVOCA VII G note. A translation loss of S\$1.0 million was recognized during the quarter following the weakening of the United States Dollar against Singapore Dollar. The above negative movements were cushioned by fair value gain of S\$3.3 million from the AFS during the quarter. In the same quarter last year, other comprehensive loss of S\$0.2 million was registered.

### **HALF YEAR ENDED 30 JUNE 2014**

For the half year ended 30 June 2014, the Group’s net profit was S\$16.8 million, lower by 10.5% as compared to S\$18.8 million recorded for the comparative period. Total comprehensive income was S\$11.9 million versus S\$20.7 million in the comparative period.

#### **REVENUE**

The Group reported lower revenue of S\$15.7 million for 1H 2014 compared to S\$23.5 million in the same period last year, mainly due to the absence of the S\$7.0 million gain from the redelivery and sale of the two aircraft and lower gain on sale of investments in the current period. The absence of rental income following the sale of the aircraft further contributed a drop of S\$1.6 million. The drop in revenue was cushioned by higher dividend and interest income, foreign exchange gains from the strengthening of Australian Dollar against United States Dollar and fair value gains from financial assets designated as fair value through profit or loss.

#### **EXPENSES**

Total expenses for the half year decreased to S\$1.9 million from S\$5.5 million in the comparative period. The decrease was largely due to the absence of foreign exchange losses in the current period. The absence of depreciation and finance costs following the sale of aircraft were contributing factors to the decrease as well.

#### **REVERSAL OF IMPAIRMENT AND SHARE OF PROFIT OF ASSOCIATED COMPANY**

In 1H 2014, the Group recognised a net reversal of impairment, arising from a reversal of impairment for AVOCA VII G note offset by a further impairment for Seiza Series 2006-1 Class G note. Share of profit recorded for Ascendos of S\$2.2 million was higher than the S\$1.1 million in 1H 2013.

#### **OTHER COMPREHENSIVE INCOME**

Other comprehensive loss for 1H 2014 amounted to S\$4.9 million as compared to a gain of S\$1.9 million in 1H 2013. The loss in the current period was mainly contributed by the negative net movement of S\$5.6 million in the AFS revaluation reserve as a result of the reclassification of fair value gain to profit and loss following the sale of listed equities and reversal of impairment for Avoca VII G note, as well as translation losses of S\$1.3 million. The above negative net movements were cushioned by a fair value gain of S\$1.9 million. In 1H 2013, the fair value gain from the AFS and the translation gain from the strengthening of the United States Dollar against the Singapore Dollar contributed S\$5.4 million and S\$4.3 million respectively. The gain in 1H 2013 was partially offset by the negative movement in the AFS revaluation reserve of S\$7.8 million as a result of the reclassification of the revaluation gain to profit and loss following the sale of listed equities.

#### **STATEMENT OF FINANCIAL POSITION**

##### **FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

The financial assets at fair value through profit or loss of S\$59.8 million comprised of investments in a portfolio of bonds. The increase of S\$4.9 million from S\$54.9 million as at 31 December 2013 is due mainly to the purchase made and upward valuation of the portfolio during the period.

##### **AVAILABLE-FOR-SALE FINANCIAL ASSETS**

The available-for-sale financial assets decreased to S\$88.1 million as at 30 June 2014 from S\$103.0 million as at 31 December 2013, mainly due to the disposal of Japanese listed equities.

##### **CASH AND CASH EQUIVALENTS**

The higher cash and cash equivalents of S\$26.7 million as at 30 June 2014 as compared to S\$20.3 million as at 31 December 2013 was mainly due to net proceeds received from the disposal of listed equities.

##### **NET ASSET VALUE PER SHARE**

The net asset value per share of the Group as at 30 June 2014 was 21.5 Singapore cents after the payment of 2013 dividend of 1.5 Singapore cents per share and taking into account the new shares issued pursuant to the rights issue in 2013 and Scrip Dividend Scheme. If the 2013 dividend was paid and the shares relating to the Scrip Dividend Scheme had been issued before 31 December 2013, the net asset value per share as at 31 December 2013 would have been 20.6 Singapore cents instead of 22.6 Singapore cents per share and the increase in net asset value per share would be 4.4% for the half year ended 30 June 2014.

## 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 2014 comprised the following assets:

### OPERATING LEASES

#### **Ascendos Investments Limited ("Ascendos")**

The Group has a 40.56% interest in Ascendos, a Guernsey company. Ascendos holds 100% of Ascendos Rail Leasing S.à r.l. which currently owns and leases a portfolio of rail equipment, consisting of passenger train fleets, locomotives, and freight wagons in mainland Europe.

### 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 and credit-linked notes ("CLN"). 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, while the CLN investment references a portfolio of corporate loans, with the obligors mainly domiciled in Asia.

### LISTED EQUITIES

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

### BONDS

The Group is invested in a portfolio of bonds denominated in SGD, EUR and USD.

## BUSINESS OUTLOOK<sup>1</sup>

### MACROECONOMIC OUTLOOK

In the US, recent labour market and ISM Manufacturing Purchasing Manager Index (“PMI”) data point to further improvement in economic growth in coming quarters. The unemployment rate dropped from 6.7% in March 2014 to 6.1% in June, while the monthly change in nonfarm payrolls increased from 203,000 in March to 288,000 in June 2014. The PMI advanced from 53.7 in March to 55.3 in June 2014. The US Federal Reserve (“the Fed”) stated that although the US economy was improving, job growth still has room for further recovery and hence, the Fed has maintained its forward guidance in order to keep borrowing costs low even as it continues to phase out its asset purchases.

In the Eurozone, recent data has signalled that the growth recovery could be losing momentum and persistent low inflation remains a worry. The Eurozone Manufacturing PMI and Composite PMI eased from 53.0 and 53.1 in March to 51.8 and 52.8 in June 2014 respectively. The unemployment rate remained at 11.6% in April and May 2014, while inflation rate remained at 0.5% y-o-y in May and June 2014. A strong Euro and its dampening effect on inflation were highlighted as posing risks to the economy. In response, the European Central Bank (“ECB”) has announced a range of measures, including reducing its benchmark refinancing interest rate and introducing negative deposit rates to encourage banks to lend. The ECB also stated that they were open to further stimulus should inflation remain at low levels.

In China, economic data released in recent weeks have been largely positive. The HSBC Manufacturing PMI recovered to 50.7 in June from 48.0 in March 2014. This was the first time it went above the 50 threshold since December last year, suggesting that the manufacturing sector is on a decent recovery after a slowdown in industrial activity in 1Q14. Export and import growth have turned positive at 7.2% and 5.5% y-o-y in June compared to negative 6.6% and 11.4% y-o-y in March 2014 respectively. Fears of a hard landing in the Chinese economy have also dissipated. The Consumer Price Index (“CPI”) has eased in the recent month to 2.3% y-o-y in June and is likely to remain below the official target of 3.5% in 2014. To lend support to future growth and to meet the 7.5% growth target, the Chinese authorities have unveiled several measures such as bringing forward the railways spending and cutting the reserve requirement ratios for rural banks. The Chinese government was also seen pressing ahead with its promised reforms when it announced measures to boost capital markets as well as to reduce state ownership in the economy. The result of such measures might potentially raise efficiency and growth in the economy.

### TARGETED ASSET CLASSES

#### Operating Lease Assets

A return to sluggish growth in the Eurozone and a drop in demand for freight transport continues to put pressure on lease rates for freight equipment and rail freight volumes. Lease rates are subject to volatility, and lease terms continue to be of short duration (12 months or less) reflecting underlying softness in market demand. The demand outlook has been revised downwards from earlier expectations of a slight pickup in 1Q 2014, and will remain challenging for the second half of 2014.

#### Loan Portfolio and Securitisation Assets

The housing market in Australia was mostly flat in 2Q14. The RP Data-Rismark Home Value Index for capital cities declined 1.9% in May, but gained 0.4% and 1.4% in April and June respectively. Record high numbers of home building approvals in Australia in the 12 months to May will see sharp rises in construction of new dwellings in the coming quarters, and a softening of price growth. Australia’s unemployment rate has also increased slightly by 0.2 percentage points to 6.0% at the end of June. However, the Reserve Bank of Australia has kept the benchmark cash rate low at 2.5%, and signaled that it will continue to do so for some time. This will continue to support housing loan affordability.

On the back of reduced supply of leveraged loans and strong demand from CLOs, prices of global corporate loans continued their rally in 2Q 2014. The Moody’s Global Speculative-Grade Corporate Default Rate decreased by 0.1 percentage points over the quarter to finish 2Q 2014 at 2.2%. Citing stable credit conditions supported by robust liquidity, Moody’s expects global corporate default rates to end 2014 lower at 2%.

#### Listed Equities and Bonds

Global liquidity conditions remain supportive for asset prices as central banks in major economies continue to maintain their monetary stimuli amid mixed economic data and concerns over persistent low inflation in the global economy. Investors have been encouraged by dovish remarks not only from the Fed, but also the ECB and the Bank of Japan on the need to continue maintaining quantitative easing policies for a considerable period of time so as to create an environment conducive for sustainable economic growth.

The MSCI World Index, which tracks global equity markets, rose 3.21% in SGD terms in 2Q 2014. The JPMorgan Asia Credit Index, which tracks Asian bond markets, gained 3.11% in SGD terms in 2Q 2014, while the JP Morgan US Liquid Index, which tracks the investment grade dollar denominated corporate bond market, gained 1.30% in SGD terms over the same period.

### Summary

The recent crash of a Malaysian Airlines plane in Ukraine has raised the geopolitical risk in the short term with investors shifting attention to possible fallout from the incident. Tension between Russia and the West has risen as stronger trade sanctions against Russia are mooted. The rising violence in the Middle East with no signs of abating could also pose risks to the financial markets. In the midst of geopolitical concerns, there may be higher volatility in the market in the near term.

In light of the current environment, the Company will be selective in investments and will focus on fundamental bottom-up analysis, with preference for assets with defensive characteristics, and good cashflow generating ability.

<sup>1</sup> Sources include research publications by brokerage house, banks, information service providers, associations and media.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Quarter ended 30 Jun 14 S\$'000	Group Year to date 30 Jun 14 S\$'000	Group Quarter ended 30 Jun 13 S\$'000	Group Year to date 30 Jun 13 S\$'000
Revenue				
Dividend income	1,542	1,768	1,017	1,287
Interest income	4,472	8,157	3,548	6,313
Rental income	-	-	401	1,577
Net foreign exchange gains	60	1,276	-	-
Net gain on sale of investments	1,363	3,247	5,140	10,834
Net gain/(loss) on financial assets designated as fair value through profit or loss	785	1,221	(258)	(300)
Other income	-	-	3,606	3,797
<b>Total revenue</b>	<b>8,222</b>	<b>15,669</b>	<b>13,454</b>	<b>23,508</b>
Expenses				
Management fees	(473)	(879)	(314)	(653)
Incentive fees	(587)	9	-	-
Net foreign exchange losses	-	-	(3,580)	(3,100)
Depreciation	-	-	(109)	(429)
Finance costs	(1)	(1)	(181)	(445)
Other operating expenses	(485)	(1,009)	(441)	(911)
<b>Total expenses</b>	<b>(1,546)</b>	<b>(1,880)</b>	<b>(4,625)</b>	<b>(5,538)</b>
Net reversal of impairment	1,204	1,204	-	-
Share of profit of associate (net of tax)	1,009	2,183	329	1,063
<b>Profit before tax</b>	<b>8,889</b>	<b>17,176</b>	<b>9,158</b>	<b>19,033</b>
Income tax expense	(264)	(367)	(145)	(256)
<b>Profit after tax</b>	<b>8,625</b>	<b>16,809</b>	<b>9,013</b>	<b>18,777</b>
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss				
Available-for-sale financial assets				
- Fair value gains/(loss)	3,346	1,878	(116)	5,402
- Reclassification to profit or loss	(3,827)	(5,551)	(2,465)	(7,838)
Currency translation differences arising from consolidation				
- (Losses)/Gains	(998)	(1,266)	2,420	4,347
<b>Other comprehensive (loss)/income for the period after tax</b>	<b>(1,479)</b>	<b>(4,939)</b>	<b>(161)</b>	<b>1,911</b>
<b>Total comprehensive income for the period attributable to shareholders</b>	<b>7,146</b>	<b>11,870</b>	<b>8,852</b>	<b>20,688</b>
Basic earnings per share (cents per share)	0.68	1.37	1.06	2.24
Diluted earnings per share (cents per share)	0.68	1.37	1.06	2.24

## STATEMENT OF FINANCIAL POSITION

	Group As at 30 Jun 14 S\$'000	Group As at 31 Dec 13 S\$'000	Company As at 30 Jun 14 S\$'000	Company As at 31 Dec 13 S\$'000
<b>ASSETS</b>				
Non-current assets				
Investment in associate	10,503	9,393	-	-
Investments in subsidiaries	-	-	114,437	104,989
Loans and receivables	90,608	92,410	-	-
Financial assets at fair value through profit or loss	59,840	54,867	59,840	54,867
	<u>160,951</u>	<u>156,670</u>	<u>174,277</u>	<u>159,856</u>
Current assets				
Cash and cash equivalents	26,737	20,346	26,411	17,668
Available-for-sale financial assets	88,146	102,983	68,785	85,310
Intercompany receivables	-	-	6,427	8,345
Other assets	1,299	1,063	1,220	991
	<u>116,182</u>	<u>124,392</u>	<u>102,843</u>	<u>112,314</u>
<b>Total Assets</b>	<u>277,133</u>	<u>281,062</u>	<u>277,120</u>	<u>272,170</u>
<b>LIABILITIES</b>				
Other liabilities	1,659	11,317	1,646	2,425
<b>Total Liabilities</b>	<u>1,659</u>	<u>11,317</u>	<u>1,646</u>	<u>2,425</u>
<b>Net assets attributable to shareholders</b>	<u>275,474</u>	<u>269,745</u>	<u>275,474</u>	<u>269,745</u>
<b>EQUITY</b>				
Share capital	514,609	502,870	514,609	502,870
Capital reserve	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	15,979	19,652	542	3,392
Translation reserve	477	1,743	-	-
Accumulated losses	(189,745)	(188,674)	(173,831)	(170,671)
<b>Total Equity</b>	<u>275,474</u>	<u>269,745</u>	<u>275,474</u>	<u>269,745</u>
<b>Net asset value per share (S\$ per share)</b>	<u>0.215</u>	<u>0.226</u>	<u>0.215</u>	<u>0.226</u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Quarter ended 30 Jun 14 S\$'000	Group Year to date 30 Jun 14 S\$'000	Group Quarter ended 30 Jun 13 S\$'000	Group Year to date 30 Jun 13 S\$'000
<b>Cash flows from operating activities</b>				
Operating costs paid	(474)	(3,429)	(961)	(2,306)
Interest income received	4,540	8,098	3,682	6,400
Dividend income received	1,636	2,194	1,039	1,243
Rental income received	-	-	417	1,608
Other income received	-	-	3,810	4,001
Income tax paid	(215)	(318)	(145)	(256)
<b>Net cash inflow from operating activities</b>	<b>5,487</b>	<b>6,545</b>	<b>7,842</b>	<b>10,690</b>
<b>Cash flows from investing activities</b>				
Purchase of financial assets	(28,551)	(46,945)	(38,116)	(77,537)
Loan repayments received	569	992	300	591
Proceeds from disposal of financial assets	16,053	51,923	56,581	85,731
Proceeds from disposal of aircraft	-	-	32,377	32,377
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(11,929)</b>	<b>5,970</b>	<b>51,142</b>	<b>41,162</b>
<b>Cash flows from financing activities</b>				
Net repayments of borrowings	-	-	(13,288)	(13,802)
Payment of share issuance expenses	-	-	(120)	(120)
Borrowing costs paid	-	-	(165)	(430)
Dividends paid	(6,140)	(6,140)	(2,217)	(2,217)
<b>Net cash outflow from financing activities</b>	<b>(6,140)</b>	<b>(6,140)</b>	<b>(15,790)</b>	<b>(16,569)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(12,582)</b>	<b>6,375</b>	<b>43,194</b>	<b>35,283</b>
Cash and cash equivalents at beginning of period	39,413	20,346	16,674	24,508
Effects of exchange rate changes on cash and cash equivalents	(94)	16	(78)	(1)
<b>Cash and cash equivalents at end of period</b>	<b>26,737</b>	<b>26,737</b>	<b>59,790</b>	<b>59,790</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<b>Changes in shareholders' equity of the Group for the quarter and half year ended 30 June 2014</b>	<b>Share capital S\$'000</b>	<b>Capital reserve<sup>1</sup> S\$'000</b>	<b>Available-for-sale financial assets revaluation reserve S\$'000</b>	<b>Translation reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total S\$'000</b>
Total equity at 1 January 2014	502,870	(65,846)	19,652	1,743	(188,674)	269,745
Total comprehensive income for the 1st quarter ended 31 March 2014	-	-	(3,192)	(268)	8,184	4,724
Transactions with equity holders in their capacity as equity holders:						
Dividends for the period	-	-	-	-	(17,880)	(17,880)
Total equity at 31 March 2014	502,870	(65,846)	16,460	1,475	(198,370)	256,589
Total comprehensive (loss)/income for the 2nd quarter ended 30 June 2014	-	-	(481)	(998)	8,625	7,146
Transactions with equity holders in their capacity as equity holders:						
Issuance of new shares pursuant to Scrip Dividend Scheme	11,739	-	-	-	-	11,739
Total equity at 30 June 2014	514,609	(65,846)	15,979	477	(189,745)	275,474

<b>Changes in shareholders' equity of the Group for the quarter and half year ended 30 June 2013</b>	<b>Share capital S\$'000</b>	<b>Capital reserve<sup>1</sup> S\$'000</b>	<b>Available-for-sale financial assets revaluation reserve S\$'000</b>	<b>Translation reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total S\$'000</b>
Total equity at 1 January 2013	450,433	(65,846)	19,301	(2,546)	(211,258)	190,084
Total comprehensive income for the 1st quarter ended 31 March 2013	-	-	145	1,927	9,764	11,836
Transactions with equity holders in their capacity as equity holders:						
Dividends for the period	-	-	-	-	(6,190)	(6,190)
Total equity at 31 March 2013	450,433	(65,846)	19,446	(619)	(207,684)	195,730
Total comprehensive (loss)/income for the 2nd quarter ended 30 June 2013	-	-	(2,581)	2,420	9,013	8,852
Transactions with equity holders in their capacity as equity holders:						
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	3,903	-	-	-	-	3,903
Total equity at 30 June 2013	454,336	(65,846)	16,865	1,801	(198,671)	208,485

<sup>1</sup> 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

<b>Changes in shareholders' equity of the Company for the quarter and half year ended 30 June 2014</b>	<b>Share capital S\$'000</b>	<b>Capital reserve<sup>1</sup> S\$'000</b>	<b>Available-for-sale financial assets revaluation reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total S\$'000</b>
Total equity at 1 January 2014	502,870	(65,846)	3,392	(170,671)	269,745
Total comprehensive income for the 1st quarter ended 31 March 2014	-	-	(1,689)	6,413	4,724
Transactions with equity holders in their capacity as equity holders:					
Dividends for the period	-	-	-	(17,880)	(17,880)
Total equity at 31 March 2014	502,870	(65,846)	1,703	(182,138)	256,589
Total comprehensive (loss)/income for the 2nd quarter ended 30 June 2014	-	-	(1,161)	8,307	7,146
Transactions with equity holders in their capacity as equity holders:					
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	11,739	-	-	-	11,739
Total equity at 30 June 2014	514,609	(65,846)	542	(173,831)	275,474

<b>Changes in shareholders' equity of the Company for the quarter and half year ended 30 June 2013</b>	<b>Share capital S\$'000</b>	<b>Capital reserve<sup>1</sup> S\$'000</b>	<b>Available-for-sale financial assets revaluation reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total S\$'000</b>
Total equity at 1 January 2013	450,433	(65,846)	2,773	(197,276)	190,084
Total comprehensive income for the 1st quarter ended 31 March 2013	-	-	946	10,890	11,836
Transactions with equity holders in their capacity as equity holders:					
Dividends for the period	-	-	-	(6,190)	(6,190)
Total equity at 31 March 2013	450,433	(65,846)	3,719	(192,576)	195,730
Total comprehensive (loss)/income for the 2nd quarter ended 30 June 2013	-	-	(2,772)	11,624	8,852
Transactions with equity holders in their capacity as equity holders:					
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	3,903	-	-	-	3,903
Total equity at 30 June 2013	454,336	(65,846)	947	(180,952)	208,485

<sup>1</sup> 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

The Company has declared a dividend of 0.75 cents per share for the period 1 January 2014 to 30 June 2014 amounting to S\$9.62 million. This dividend will be paid on or about 10 October 2014.

For the financial year ending 31 December 2014, the Company has obtained the Inland Revenue Authority of Singapore's confirmation that it is tax resident of Singapore.

Dividends paid in 2014 are exempt from tax (one-tier) when received in the hands of Shareholders.

## CHANGES IN SHARE CAPITAL

The movement in the number of issued and fully paid-up ordinary shares for the half year ended 30 June 2014 is as follows:

Company	Number of shares '000	Share capital at par value S\$'000	Share premium reserve S\$'000	Share capital S\$'000
<b>Issued and fully paid shares</b>				
Opening balance as at 1 January 2014	1,191,983	11,920	490,950	502,870
Movements in period to 30 June 2014	90,304	903	10,836	11,739
<b>Total share capital as at 30 June 2014</b>	<b>1,282,287</b>	<b>12,823</b>	<b>501,786</b>	<b>514,609</b>

On 15 April 2014, the Company issued and allotted 90,304,464 new ordinary shares at an issue price of 13 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 14	Company As at 30 Jun 14	Group As at 31 Dec 13	Company As at 31 Dec 13
Total net asset value (S\$'000)	275,474	275,474	269,745	269,745
Total number of ordinary shares in issue used in calculation of net asset value per share ('000)	1,282,287	1,282,287	1,191,983	1,191,983
Net asset value per ordinary share (S\$ per share)	0.215	0.215	0.226*	0.226*

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 30 June 2014 was 21.5 Singapore cents after the payment of 2013 dividend of 1.5 Singapore cents per share and taking into account the new shares issued pursuant to the rights issue in 2013 and Scrip Dividend Scheme. If the 2013 dividend was paid and the shares relating to the scrip dividend scheme had been issued before 31 December 2013, the net asset value per share as at 31 December 2013 would have been 20.6 Singapore cents instead of 22.6 Singapore cents per share and the increase in net asset value per share would be 4.4% for the period ended 30 June 2014.

## EARNINGS PER SHARE

	Group Quarter ended 30 Jun 14	Group Year to date 30 Jun 14	Group Quarter ended 30 Jun 13	Group Year to date 30 Jun 13
<b>Basic earnings per share</b>				
Earnings used in calculation of basic earnings per share (S\$'000)	8,625	16,809	9,013	18,777
Weighted average number of shares in issue used in calculation of basic earnings per share ('000)	1,268,394	1,230,399	848,261	836,850
Basic earnings per share (cents per share)	0.68	1.37	1.06	2.24
<b>Diluted earnings per share</b>				
Earnings used in calculation of diluted earnings per share (S\$'000)	8,625	16,809	9,013	18,777
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,268,394	1,230,399	848,261	836,850
Diluted earnings per share (cents per share) <sup>1</sup>	0.68	1.37	1.06	2.24

<sup>1</sup> 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 the attention of the Board of Directors of the Company which may render the financial statements for the quarter ended 30 June 2014 to be false or misleading in any material respect.

On behalf of the Board of Directors

Boon Swan Foo  
Chairman  
08 August 2014

Jason See Yong Kiat  
Manager Nominated Director  
08 August 2014