



GLOBAL INVESTMENTS LIMITED

SGX Quarterly Report 31 March 2019

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PERFORMANCE REVIEW

FINANCIAL PERFORMANCE FOR QUARTER ENDED 31 MARCH 2019

The Company and its subsidiaries (the Group) reported a profit after tax of S\$12.9 million for the current quarter as compared to a net loss after tax of S\$2.2 million in the same quarter last year.

INCOME

Income for 1Q 2019 was S\$14.0 million as compared to a loss of S\$1.1 million in 1Q 2018. The higher income was mainly due to net gain on financial assets at fair value through profit or loss (FVTPL) of S\$9.9 million in 1Q 2019, versus a loss of S\$4.9 million in the comparative period. The net gain on financial assets at FVTPL during the quarter was mainly contributed by listed equities and bank contingent convertibles.

EXPENSES

Expenses recorded in both 1Q 2018 and 2019 remained relatively unchanged at S\$1.0 million.

OTHER COMPREHENSIVE INCOME

There was no other comprehensive income for the quarter as compared to a translation loss of S\$1.1 million in 1Q 2018. As a result, total comprehensive income for the Group was S\$12.9 million versus a loss of S\$3.3 million recorded in the same quarter last year.

STATEMENT OF FINANCIAL POSITION

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at FVTPL as at 31 March 2019 was S\$285.7 million and comprised the entire portfolio of investments held by the Group. This was S\$1.8 million higher than the carrying value of the portfolio of investments of S\$283.8 million as at 31 December 2018. The increase was mainly due to an overall increase in fair value of investments and offset by a net divestment of investments during the quarter.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents increased to S\$45.5 million as at 31 March 2019 compared to S\$35.4 million as at 31 December 2018. This was mainly due to the net divestment of investments which include bank contingent convertibles, China domestic bonds and listed equities of approximately S\$10.0 million during the quarter.

NET ASSET VALUE PER SHARE

The net asset value per share of the Group as at 31 March 2019 increased to 19.53 Singapore cents from 18.69 Singapore cents as at 31 December 2018 due to profit after tax recorded for the quarter.

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 at 31 March 2019 comprised the following assets:

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), Australian credit card ABS and Chinese auto ABS.

BONDS

CHINA DOMESTIC BONDS

The Group is invested in a portfolio of China domestic bonds.

OTHER BONDS

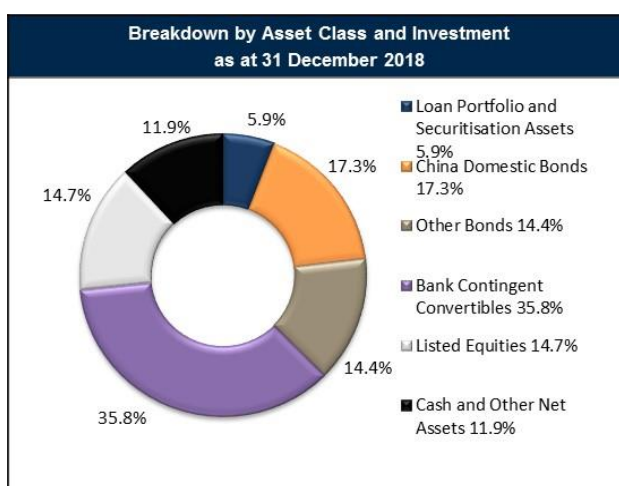
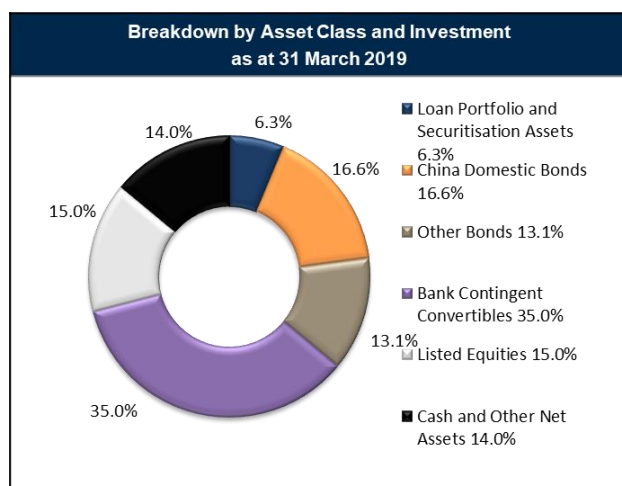
The Group is invested in a portfolio of mainly high yield bonds other than China domestic bonds.

BANK CONTINGENT CONVERTIBLES

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

LISTED EQUITIES

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



Net asset value as at 31 March 2019 and 31 December 2018 is S\$332.16 million and S\$322.21 million respectively.

BUSINESS REVIEW AND OUTLOOK¹

MACROECONOMIC

The International Monetary Fund (“IMF”) in its latest World Economic Outlook report released in April 2019, has lowered its projection for global economic growth to 3.3% in 2019 and 3.6% in 2020, a downward revision of 0.4% and 0.1% respectively. Global growth is expected to be lower at 3.3% in the first half of 2019 before stabilizing in the second half, due to the ongoing policy stimulus by the Chinese government, recent positive sentiments in global financial markets, and stronger growth momentum in developing economies.

In the US, according to the advance estimate by the Bureau of Economic Analysis (“BEA”), Gross Domestic Product (“GDP”) grew by 3.2% quarter-on-quarter (“q-o-q”) in 1Q 2019, compared to 2.2% q-o-q in 4Q 2018. The ISM Manufacturing Purchasing Manager Index (“PMI”) increased to 55.3 in March 2019 as compared to 54.3 in December 2018, while the ISM Non-Manufacturing PMI Index decreased to 56.1 in March 2019 compared to 58.0 in December 2018. Meanwhile, the Consumer Price Index (“CPI”) remained unchanged at 1.9% year-on-year (“y-o-y”) in March 2019 compared to December 2018. The US unemployment rate decreased to 3.8% in March 2019 when compared with 3.9% in December 2018 while the participation rate decreased to 63.0% in March 2019 compared to 63.1% in December 2018.

The Federal Open Market Committee (“FOMC”) decided to maintain the target federal fund rate at the March meeting, keeping it unchanged at a range of 2.25%-2.50%. The FOMC’s guidance of a ‘patient’ approach towards future interest rate adjustments was interpreted by market participants as no further rate hikes for 2019. This was likely in response to a labour market that remained strong but slower growth in household spending and business fixed investment in the first quarter.

In China, GDP grew at 6.4% y-o-y in 1Q 2019, unchanged from the previous quarter. The Caixin Manufacturing PMI increased to 50.8 in March 2019 when compared to 49.7 in December 2018, while the Caixin Services PMI increased to 54.4 from 53.9. Retail sales grew by 8.7% y-o-y in March 2019 compared to 8.2% y-o-y in December 2018. Exports expanded 14.2% y-o-y in March 2019, compared to -4.4% y-o-y in December 2018, while imports remained unchanged at -7.6% y-o-y. The CPI increased to 2.3% y-o-y in March 2019 from 1.9% y-o-y in December 2018. In March 2019, China’s foreign exchange reserves have increased to US\$3,098.8 billion from US\$3072.71 billion in December 2018.

Effects from the supportive measures by the central government seemed to be reflected in the economy, with an acceleration in credit growth in the quarter. Furthermore, there was a larger share of medium- and long-term loans, suggesting rising aggregate credit demand. At its April monetary policy meeting, the People’s Bank of China (“PBoC”) stated that financial market confidence has been improving in the quarter amid its countercyclical efforts. PBoC pledged to maintain a countercyclical easing stance because many domestic challenges and external uncertainties still remain. The PBoC also stated that it would be watchful of potential risks while supporting the economy, which seemed to imply a more moderate approach to further monetary easing.

Eurozone real GDP growth increased by 1.2% y-o-y in 1Q 2019, unchanged from 4Q 2018. The Markit Eurozone Composite PMI, which tracks sentiment among purchasing managers within the manufacturing and service sectors, increased to 51.6 in March 2019 compared to 51.1 in December 2018. The Consumer Confidence Indicator was -7.2 compared to -8.3 in December 2018, while CPI was 1.4% y-o-y in March 2019 from 1.5% y-o-y in December 2018.

There was no change in policy rates following the European Central Bank (“ECB”) monetary policy meetings in March and April. As recent economic data from the euro area continued to be weak, in particular in the manufacturing sector, the ECB has shifted its interest rate policy to a more dovish stance and indicated that the current policy would remain in place at least through to the end of 2019.

Currency

The Singapore dollar nominal effective exchange rate (S\$NEER) continued to increase over the quarter. The S\$NEER Index increased from 126.87 on 28th December 2018 to 127.45 as of 29th March 2019. In 1Q 2019, SGD strengthened against EUR by 2.53%, USD by 0.65%, AUD by 0.30%, and weakened against CNY by 1.61%. At the April 2019 meeting, the Monetary Authority of Singapore (“MAS”) decided to maintain the slope of the S\$NEER policy band. There will be no change to the width of the band or the level at which it was centred.

In its quarterly Recent Economic Developments in Singapore report released in March, MAS noted that the domestic economy was expected to grow at a slower pace, with GDP growth slightly below the median of 1.5-3.5% for the full year of 2019. According to the advance estimates by Ministry of Trade and Industry (“MTI”), the Singapore economy grew by 1.3% y-o-y in 1Q 2019, slower than the 1.9% growth in the previous quarter. On a q-o-q seasonally adjusted annualized basis, real GDP rose by 2.0% compared to the 1.4% expansion in 4Q 2018.

Singapore's headline inflation expanded slightly as the CPI-All Items for 1Q19 came in at 0.6% y-o-y, compared to 0.5% in 4Q18. The MAS Core Inflation, which excludes the cost of accommodation and private road transport, fell to average 1.4% y-o-y in 1Q19, compared to 1.9% in 4Q18. This was because of lower oil prices and open market retail electricity costs. The MAS revised inflation expectations downwards by 0.5% across the board, with Core Inflation at 1.0-2.0%, and the CPI-All Items inflation at 0.5%-1.5%.

TARGETED ASSET CLASSES

Loan Portfolio and Securitisation Assets

In the US, 60 new CLO totalling US\$29.2 billion, and 17 restructured CLO totalling US\$9.0 billion were priced in 1Q 2019. New European CLO supply was €6.8 billion across 16 issuances, in addition to 2 restructured CLO totalling €0.8 billion. Overall, the total volume of issuance has declined when compared to the same period last year, driven by less restructured deals being priced.

In 1Q 2019, secondary loan prices ended higher after a strong rebound in January, while primary loan issuance remained relatively light. Loan default rates remain muted, with Standard & Poors noting that the trailing 12-month default rates by principal amount as of March was at 0.93%, against the 1.7% historical annual default rates since 2010. CLO debt spreads recovered from the selloff in late 4Q18, with the lower-rated tranches benefiting more from broad credit spread recovery. Looking forward, further tightening in CLO spreads are expected to remain muted, as investor sentiments remain cautious on late cycle concerns, amid dovish central bank stance.

The Palmer Square CLO Debt Index, which tracks the total return performance of US mezzanine CLO debt tranches, increased by 3.94% in USD terms or 3.34% in SGD terms in 1Q 2019.

China Domestic Bonds

During the first quarter, the CNY-denominated domestic bonds' return continued to be supported by favourable monetary and fiscal policies. Interest rates trended lower while Yuan strengthened 2.4% against the USD to 6.7121. The yield on 3-year government bond was 12 bps lower at 2.68%, 5-year yield increased 3 bps to 2.92%, and 10-year yield declined 14 bps to 3.06%.

The government continued efforts to deleverage and crackdown on riskier lending to manage leverage risk have depressed domestic demand and weakened sentiments for the most part of 2018. At the start of 2019, the Chinese government announced that it would step up fiscal expenditure and implement larger tax and fee cuts to stabilise the economy. Going forward, the credit market is expected to remain resilient, backed by expectations that fiscal expansion will continue while monetary policies could see some tightening but remains accommodative. Deleveraging efforts are expected to continue albeit at a more disciplined pace.

The Bloomberg Barclays China Aggregate Index, which tracks the bonds listed on the Chinese interbank market, gained 1.15% in CNY terms or 3.04% in SGD terms in 1Q 2019.

Other Bonds

We saw a drastic reversal from 4Q18 across the credit markets. In the US, HY credit spreads tightened 135 bps after widening 210 bps in 4Q18. In Asia, HY credit spreads tightened 170 bps, completely wiping off 168 bps spreads widening in 4Q18. Expectations of a lower interest rate environment amid key central banks' dovishness and subdued inflation might have encouraged investors to hunt for yields, with the market slowly pricing in Fed cutting rates in 2019. Risk sentiments have generally improved as compared to the last quarter of 2018 in anticipation of a constructive trade negotiation outcome between US and China while monetary policies have turned accommodative to support growth.

In 1Q 2019, US Treasury yield curve continued to trade lower on Fed's dovishness while inflation expectation remains subdued. 2-year Treasury yield declined 23 bps to 2.26% while 10-year Treasury yield declined 28 bps to 2.41%. USD-denominated high yield ("HY") corporate bonds outperformed this quarter as compared to the investment grade ("IG"). The Bloomberg Barclays US Corporate HY Index increased 7.26% while US IG increased 5.14% in USD terms. Asia HY bonds were the clear outperformer, returning 7.98% for the quarter

Going forward, we think investors might continue hunting for yields given that interest rates environment could trend lower. Valuations have become slightly rich with spreads tightening to below its historical averages, leaving very little room for error. Any worse than expected macroeconomic data could pressure spreads in the near-term.

The Bloomberg Barclays High Yield Index, which tracks global high yield multiple-currencies bond markets increased by 6.33% in USD terms or 5.80% in SGD terms in 1Q 2019.

Bank Contingent Convertibles (CoCos)

Additional Tier 1 (“AT1”) issuances for 1Q 2019 increased by more than 300% to US\$23.48 billion compared to the previous quarter of US\$5.65 billion. Banks from Switzerland, UK, and France and were the significant issuers as banks continued the trend of re-financing existing AT1s before their first call.

A dovish Fed meeting and growth expectation downgrades by the ECB drove interest rates lower, triggering a positive repricing in the CoCo markets, which recovered 97bps of the 163bps widening observed in the previous quarter. The announcement of a new round of Targeted Longer-Term Refinancing Operations (“TLTRO”) programme by the ECB, was also supportive for bank credits. Breaches in Anti-Money Laundering (“AML”) regulations had put significant pressure on spreads of affected European banks as concerns over potential size of monetary sanctions related to these AML breaches continue to affect involved names.

Capital adequacy ratios of banks continued to be robust, with cost of risk capital for new loans remaining low alongside accounting changes which required additional upfront loan loss provisions. Looking forward, volatility remains the key risk for the sector, driven by political event risks, a lower growth outlook and ongoing Brexit related developments.

The Bank of America Merrill Lynch Contingent Capital Index, which tracks the global CoCo debt markets, increased by 5.44% in USD terms or 4.78% in SGD terms in 1Q 2019.

Listed Equities

Equity markets performed strongly this quarter, as almost all of the major equity indices delivered positive returns. Following a disappointing fourth quarter in 2018, the rebound was led by the Chinese equity indices, with the Shanghai Composite Index moving up by 23.93%. The rally was fuelled by stimulus policies from the Chinese government and looser financial conditions following dovish guidance from major central banks, including the US Federal Reserve and the European Central Bank.

All eyes will be on the upcoming corporate earnings season for the first quarter of the year, with market expectations pointing to a negative earnings growth outlook as global growth continued to slow. Price multiples of global equity indices have since recovered from the sharp dip in 4Q 2018 back to above long-run averages, suggesting that prices have recovered more than growth in corporate earnings. In the short-term, downside risk to equity prices might not be as significant given the low expectations that both companies’ management and analysts have set, but persistently anaemic earnings growth might lead to a downward re-rating of the equity market in the longer-term.

The MSCI All Country World Index, which tracks the global equity markets across both developed and emerging markets, increased by 11.61% in USD terms or 10.97% in SGD terms in 1Q 2019.

Summary

Valuations in risk assets reversed the steep selloff observed in late 4Q18, with both equities and credit exhibiting strong recovery within the quarter. Global economic growth looks to have been more resilient than initially feared with constructive economic data reported. While looser financial conditions has aided in cooling recession concerns over the next 12 months, recent hawkish developments in the US-China trade discussions about the raising of higher tariffs threaten to derail the constructive outcome the market had anticipated.

The US Fed has adopted a more dovish tone in their guidance on forward monetary policy, with an openness to allow for inflation to exceed 2% without immediately triggering a tightening. Chinese economic growth slowdown seems to have bottomed out, as ongoing fiscal and monetary stimulus worked their way into stronger reported figures from industrial production and retail sales. Meanwhile, Europe economic growth stabilized, despite ongoing political issues, as the ECB announced its intention to defer rate hikes to past 2019.

Oil price saw a strong recovery in 1Q 2019 as Brent crude rose 27.1% to \$68.39, while the Bloomberg Commodity Index, which tracks global commodities prices, saw a 6.3% rise in the quarter. Initial fears over sufficiency of production cuts by OPEC+ were dispelled as production numbers saw OPEC members and Russia largely conforming to previously agreed numbers. Additionally, US sanctions on Venezuela further tightened crude oil supply. The Brumadinho dam disaster in Brazil that resulted in the closure of a Vale-owned iron ore mine also saw a jump in iron ore prices.

Looking forward, the late stage of the economic expansion cycle coupled with a strong recovery in asset valuations continues to promote a more defensive stance for the conservative investor. While concerns over the impact of central bank tightening activities have eased, the potential increase of US tariffs on Chinese trade will continue to weigh on growth expectations further. The Company will continue to take a cautious stance in rebalancing its portfolio of assets and adopt a selective approach in its investment, bearing in mind volatility in the financial markets.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Quarter ended 31 Mar 19 S\$'000	Group Year to date 31 Mar 19 S\$'000	Group Quarter ended 31 Mar 18 S\$'000	Group Year to date 31 Mar 18 S\$'000
Income				
Dividend income	169	169	64	64
Interest income	3,580	3,580	3,600	3,600
Net foreign exchange gain (net of hedges)	328	328	117	117
Net gain/(loss) on financial assets at fair value through profit or loss	9,881	9,881	(4,924)	(4,924)
Total income	13,958	13,958	(1,143)	(1,143)
Expenses				
Management fees	(548)	(548)	(592)	(592)
Other operating expenses	(468)	(468)	(498)	(498)
Total expenses	(1,016)	(1,016)	(1,090)	(1,090)
Profit/(loss) before tax	12,942	12,942	(2,233)	(2,233)
Income tax expense	(20)	(20)	(4)	(4)
Profit/(loss) after tax	12,922	12,922	(2,237)	(2,237)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences arising from consolidation				
- Loss	-	-	(1,052)	(1,052)
Other comprehensive income for the period after tax	-	-	(1,052)	(1,052)
Total comprehensive income for the period attributable to shareholders	12,922	12,922	(3,289)	(3,289)
Basic earnings per share (cents per share)	0.75	0.75	(0.14)	(0.14)
Diluted earnings per share (cents per share)	0.75	0.75	(0.14)	(0.14)

STATEMENT OF FINANCIAL POSITION

	Group As at 31 Mar 19 S\$'000	Group As at 31 Dec 18 S\$'000	Company As at 31 Mar 19 S\$'000	Company As at 31 Dec 18 S\$'000
ASSETS				
Non-current assets				
Financial assets at fair value through profit or loss	221,544	220,523	221,544	220,523
	221,544	220,523	221,544	220,523
Current assets				
Cash and cash equivalents	45,501	35,363	45,501	35,363
Financial assets at fair value through profit or loss	64,095	63,299	64,095	63,299
Other assets	4,022	4,244	4,022	4,244
	113,618	102,906	113,618	102,906
Total Assets	335,162	323,429	335,162	323,429
LIABILITIES				
Other liabilities	2,998	1,216	2,998	1,216
Total Liabilities	2,998	1,216	2,998	1,216
Net assets attributable to shareholders	332,164	322,213	332,164	322,213
EQUITY				
Share capital	267,866	270,837	267,866	270,837
Retained earnings	64,298	51,376	64,298	51,376
Total Equity	332,164	322,213	332,164	322,213
Net asset value per share (S\$ per share)	0.1953	0.1869	0.1953	0.1869

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Quarter ended 31 Mar 19 S\$'000	Group Year to date 31 Mar 19 S\$'000	Group Quarter ended 31 Mar 18 S\$'000	Group Year to date 31 Mar 18 S\$'000
Cash flows from operating activities				
Operating costs paid	(1,082)	(1,082)	(1,656)	(1,656)
Interest income received	4,001	4,001	3,057	3,057
Dividend income received	64	64	57	57
Income tax paid	(20)	(20)	(4)	(4)
Net cash inflow from operating activities	2,963	2,963	1,454	1,454
Cash flows from investing activities				
Purchase of financial assets	(3,207)	(3,207)	(91,277)	(91,277)
Redemption/maturity of financial assets	2,022	2,022	7,425	7,425
Proceeds from disposal of financial assets	11,197	11,197	9,953	9,953
Net cash outflow generated from/(used in) investing activities	10,012	10,012	(73,899)	(73,899)
Cash flows used in financing activities				
Purchase of treasury shares	(2,708)	(2,708)	-	-
Net cash outflow used in financing activities	(2,708)	(2,708)	-	-
Net increase/(decrease) in cash and cash equivalents	10,267	10,267	(72,445)	(72,445)
Cash and cash equivalents at beginning of period	35,363	35,363	88,090	88,090
Effects of exchange rate changes on cash and cash equivalents	(129)	(129)	330	330
Cash and cash equivalents at end of period	45,501	45,501	15,975	15,975

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity of the Group for the quarter ended 31 March 2019	Share capital S\$'000	Treasury shares 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 1 st quarter ended 31 March 2019	-	-	12,922	12,922
Transactions with equity holders in their capacity as equity holders:				
Purchase of treasury shares	-	(2,971)	-	(2,971)
Total equity at 31 March 2019	270,837	(2,971)	64,298	332,164

Changes in shareholders' equity of the Group for the quarter ended 31 March 2018	Share capital S\$'000	Capital reserve¹ 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 2018 (as previously stated)	563,537	(65,846)	7,631	11,115	(183,545)	332,892
Adjustment due to adoption of IFRS 9	-	-	(7,631)	-	9,303	1,672
Total equity at 1 January 2018 (restated)	563,537	(65,846)	-	11,115	(174,242)	334,564
Total comprehensive income for the 1 st quarter ended 31 March 2018	-	-	-	(1,052)	(2,237)	(3,289)
Transactions with equity holders in their capacity as equity holders:						
Dividends for the period	-	-	-	-	(9,915)	(9,915)
Total equity at 31 March 2018	563,537	(65,846)	-	10,063	(186,394)	321,360

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. On 31 December 2018, with the passing of the Ordinary Resolution in respect of the proposed share premium reduction at the Special General Meeting, the Company's share premium was reduced by setting-off against the accumulated losses of the Company as at 31 December 2009 and the losses in the Company's capital reserve.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

Changes in shareholders' equity of the Company for the quarter ended 31 March 2019	Share capital S\$'000	Treasury shares 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 1 st quarter ended 31 March 2019	-	-	12,922	12,922
Transactions with equity holders in their capacity as equity holders:				
Purchase of treasury shares	-	(2,971)	-	(2,971)
Total equity at 31 March 2019	270,837	(2,971)	64,298	332,164

Changes in shareholders' equity of the Company for the quarter ended 31 March 2018	Share capital S\$'000	Capital reserve¹ S\$'000	Available-for-sale financial assets revaluation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Total equity at 1 January 2018 (as previously stated)	563,537	(65,846)	7,631	(172,430)	332,892
Adjustment due to adoption of IFRS 9	-	-	(7,631)	9,303	1,672
Total equity at 1 January 2018 (restated)	563,537	(65,846)	-	(163,127)	334,564
Total comprehensive income for the 1 st quarter ended 31 March 2018	-	-	-	(3,289)	(3,289)
Transactions with equity holders in their capacity as equity holders:					
Dividends for the period	-	-	-	(9,915)	(9,915)
Total equity at 31 March 2018	563,537	(65,846)	-	(176,331)	321,360

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 the current period and the same period last year.

Ordinary Shares	Group 2019	Group 2018
<u>Interim Dividend</u>		
Dividend per Share (cents)	-	0.50
Dividend amount (S\$'000)	-	8,481
<u>Final Dividend</u>		
Dividend per Share (cents)	-	0.50
Dividend amount (S\$'000)	-	8,429 *
Total Dividend (S\$'000)	-	16,910

* FY18 final dividend is calculated based on the number of outstanding shares as at book closure date.

SHARE CAPITAL

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

Number of shares	Quarter ended 31 Mar 19 '000	Quarter ended 31 Mar 18 '000
Issued ordinary shares		
Balance at beginning and end of period	1,723,842	1,652,575
Treasury shares		
Balance at beginning of period	-	-
Purchase of treasury shares	(23,265)	-
Balance at end of period	(23,265)	-
Issued ordinary shares net of treasury shares	1,700,577	1,652,575

The Company has no subsidiary holdings as at 31 March 2019 and 31 March 2018.

Under the Share Buy Back Mandate, the Company has bought back 23,265,500 ordinary shares during the current quarter. These are held as treasury shares. The amount paid, including brokerage fee, totalled S\$3.0 million and was deducted against equity.

As at 31 March 2019, the number of treasury shares represented 1.35% of the total number of issued shares. There were no other sale, disposal, cancellation and/or other use of treasury shares for the quarter ended 31 March 2019.

NET ASSET VALUE

	Group and Company As at 31 Mar 19	Group and Company As at 31 Dec 18
Total net asset value (S\$'000)	332,164	322,213
Total number of ordinary shares in issue used in calculation of net asset value per share ('000)	1,700,577	1,723,842
Net asset value per ordinary share (S\$ per share)	0.1953	0.1869

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 31 March 2019 was 19.53 Singapore cents as compared to 18.69 Singapore cents as at 31 December 2018, an increase of 4.49% during the quarter.

EARNINGS PER SHARE

	Group Quarter ended 31 Mar 19	Group Year to date 31 Mar 19	Group Quarter ended 31 Mar 18	Group Year to date 31 Mar 18
Basic earnings per share				
Earnings used in calculation of basic earnings per share (S\$'000)	12,922	12,922	(2,237)	(2,237)
Weighted average number of shares in issue used in calculation of basic earnings per share ('000)	1,715,918	1,715,918	1,652,575	1,652,575
Basic earnings per share (cents per share)	0.75	0.75	(0.14)	(0.14)
Diluted earnings per share				
Earnings used in calculation of diluted earnings per share (S\$'000)	12,922	12,922	(2,237)	(2,237)
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,715,918	1,715,918	1,652,575	1,652,575
Diluted earnings per share (cents per share) ¹	0.75	0.75	(0.14)	(0.14)

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 quarter ended 31 March 2019 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
13 May 2019

Tan Kok Wee
Director
13 May 2019