



GLOBAL INVESTMENTS LIMITED

4Q 2019 and Full Year 2019 Results for the Year Ended 31 December 2019

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PERFORMANCE REVIEW

FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 31 DECEMBER 2019

The Company and its subsidiaries (the Group) reported a profit after tax of S\$3.5 million in 4Q 2019 as compared to a loss of S\$0.9 million recorded in 4Q 2018. Total comprehensive income of the Group was also higher at S\$3.5 million in 4Q 2019 as compared to a loss of S\$10.8 million recorded in 4Q 2018.

INCOME

The Group reported an income of S\$6.5 million in 4Q 2019, about 21.7 times of the S\$0.3 million recorded in 4Q 2018. The higher income recorded during the current quarter was mainly due to a net fair value gain on financial assets at fair value through profit or loss (FVTPL) of S\$2.8 million as compared to a loss of S\$13.1 million recorded in 4Q 2018. The loss recorded in 4Q 2018 was slightly offset by net foreign exchange gain of S\$9.6 million.

EXPENSES

Expenses in 4Q 2019 increased to S\$2.9 million from S\$1.2 million in the comparative quarter. This was mainly due to an incentive fee of S\$1.3 million charged for 2H 2019 as well as a net foreign exchange loss of S\$0.4 million recorded during the quarter.

OTHER COMPREHENSIVE INCOME

There was no other comprehensive income for the quarter as compared to a translation loss of S\$9.8 million in 4Q 2018. As a result, total comprehensive income for the Group was S\$3.5 million versus a loss of S\$10.8 million recorded in the same quarter last year.

FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2019

For the year ended 31 December 2019, the Group reported a net profit after tax of S\$19.7 million, about 2.7 times of the S\$7.3 million recorded last year.

INCOME

The Group reported an income of S\$26.0 million for the year, 116.7% higher than S\$12.0 million recorded last year. The higher income was mainly contributed by a net fair value gain on FVTPL of S\$9.9 million versus a net fair value loss of S\$22.4 million last year. The loss recorded in 2018 was slightly offset by a net foreign exchange gain of S\$11.1 million and S\$6.8 million settlement proceeds received from the BBRNA litigation.

EXPENSES

Expenses for the current year was higher at S\$6.1 million as compared to S\$4.6 million recorded last year. This was mainly due to an incentive fee of S\$1.3 million charged for 2H 2019 as well as a net foreign exchange loss of S\$0.4 million.

OTHER COMPREHENSIVE INCOME

There was no other comprehensive income for the year as compared to a translation loss of S\$11.1 million in the comparative year. As a result, total comprehensive income for the Group was S\$19.7 million as compared to a loss of S\$3.8 million recorded last year.

STATEMENT OF FINANCIAL POSITION

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at FVTPL as at 31 December 2019 was S\$278.6 million and comprise the entire portfolio of investments held by the Group. This was S\$5.2 million lower than the carrying value of the portfolio of investments of S\$283.8 million as at 31 December 2018. The decrease was mainly due to disposal/redemption of financial assets, slightly offset by an overall increase in market prices during the year.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents increased to S\$40.9 million as at 31 December 2019 compared to S\$35.4 million as at 31 December 2018, mainly due to net proceeds received from the disposal/redemption of financial assets during the year.

NET ASSET VALUE PER SHARE

The net asset value per share of the Group as at 31 December 2019 was 18.95 Singapore cents after the payment of 2018 final dividend and 2019 interim dividend, each of 0.50 Singapore cents per share. If the 2018 final dividend was paid and the treasury shares relating to the Scrip Dividend Scheme had been utilised before 31 December 2018, the net asset value per share as at 31 December 2018 would have been 18.20 Singapore cents instead of 18.69 Singapore cents per share. After adjusting for the 2019 interim dividend and balance treasury shares, the net asset value per share as at 31 December 2019 would have been 19.35 Singapore cents and the increase in net asset value per share would be 6.3%.

RETURN ON EQUITY

The Group achieved a higher return on equity (computed based on net profit after tax over the average total equity) of 6.1% in 2019 as compared to 2.2% in 2018 due to higher profit after tax.

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 ownerships, 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 December 2019 comprised the following assets:

LISTED EQUITIES

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

BANK CONTINGENT CONVERTIBLES

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

LOAN PORTFOLIO AND SECURITISATION ASSETS

The Group is invested in a portfolio of USD and EUR 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.

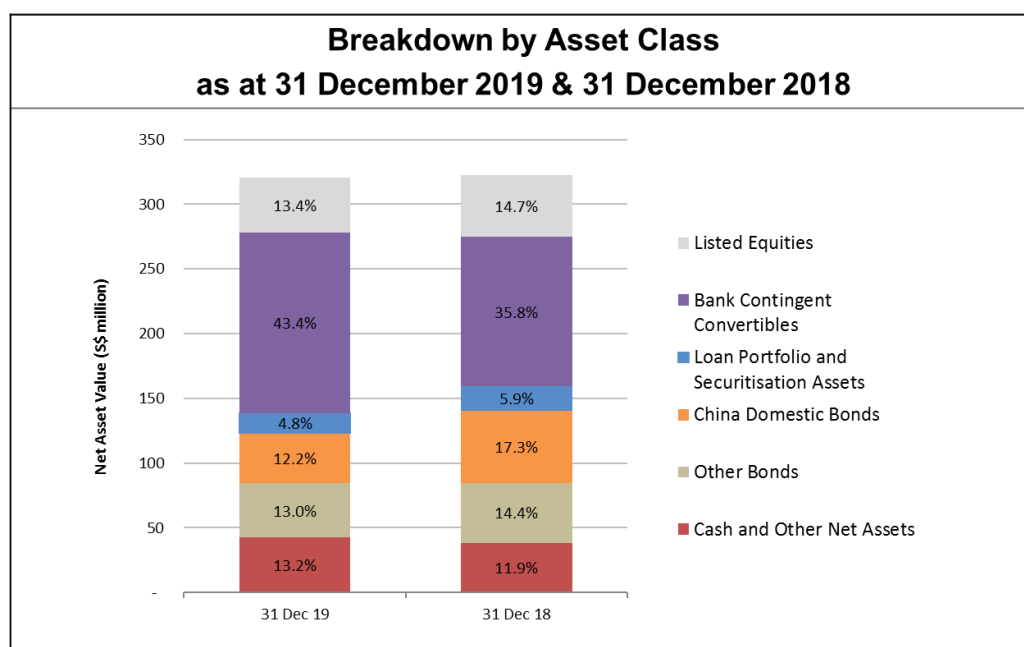
BONDS

CHINA DOMESTIC BONDS

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

OTHER BONDS

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



Net asset value as at 31 December 2019 and 31 December 2018 is S\$320.90 million and S\$322.21 million respectively.

BUSINESS REVIEW AND OUTLOOK¹

MACROECONOMIC

The International Monetary Fund (“IMF”) downgraded its projections for global economic growth to 2.9% in 2019 and 3.3% in 2020 in its latest World Economic Outlook report released in January 2020. The revised forecasts reflected downward revisions of -0.1% for both 2019 and 2020 as compared to its October report. The IMF highlighted that global growth remained subdued with early signs of stabilization in manufacturing activity and global trade growth, aided by broad-based shift earlier in the year toward accommodative monetary policy and fiscal easing in some countries. Service sector activity on the other hand weakened somewhat but remained in expansionary territory, supported by still-resilient consumer spending.

In the US, according to the advance estimate by the Bureau of Economic Analysis (“BEA”), Gross Domestic Product (“GDP”) growth was 2.1% quarter-on-quarter (“q-o-q”) in 4Q 2019, the same rate as in 3Q 2019. The ISM Manufacturing Purchasing Manager Index (“PMI”) increased to 52.4 in December 2019 as compared to 51.1 in September 2019, while the ISM Non-Manufacturing PMI Index increased to 55 as compared to 52.6. Meanwhile, the annual inflation rate as measured by the Consumer Price Index (“CPI”) was 2.3% in December 2019 as compared to 1.7% in September 2019. The US unemployment rate was 3.5% and the participation rate was 63.2% in December 2019, both the same rate as in September 2019.

The Federal Reserve (“Fed”) maintained the target federal fund rate at the December meeting to a range of 1.5%-1.75%, signalling no plans to change rates in 2020. Fed minutes cited a continued benign inflation environment, labour market strength and moderate rising economic activity as considerations for the pause in federal fund rate cuts. The median federal fund rate is now projected at 1.625% by 2020, revised downwards from a previous forecast of 1.875% in its September meeting. Core Personal Consumption Expenditures Price Index continued to run below Fed’s 2% target with 2020’s forecast maintained at 1.9% from the previous quarter. Growth outlook for 2020 was 2.0%, down slightly from 2019’s GDP growth of 2.2%.

China’s economy grew 6.0% y-o-y in 4Q 2019, the same as in the previous quarter. Considering full 2019, the Chinese economy grew by 6.1%, the slowest pace in 29 years but still within the government’s target of 6 to 6.5%. The Caixin Manufacturing PMI was broadly flat at 51.5 in December 2019 as compared to 51.4 in September 2019 while the Caixin Services PMI improved to 52.5 from 51.3 over the same period. Retail sales growth was stable at 7.9% y-o-y in December 2019 as compared to 7.8% in September 2019. Exports expanded by 7.6% y-o-y in December 2019 as compared to the contraction of 3.2% in September 2019 while imports similarly trended upwards with an increase of 16.3% y-o-y as compared to the 8.5% contraction. CPI increased 4.5% y-o-y in December 2019, up from 3.0% in September 2019. As of December 2019, China’s foreign exchange reserves increased to US\$3,108 billion from US\$3,092.43 billion in September 2019.

The annual Central Economic Work Conference (CEWC) held in December emphasised stability of growth and suggested that China’s monetary policy would remain accommodative amid a slowing economy. Although the Phase One trade deal with the US eased trade tensions and increased business optimism, existing tariffs will remain in place and further monetary easing in the form of additional reserve ratio requirement ratio (RRR) cuts may be required to support domestic consumption. The front loading of RMB 1 trillion in local government special bonds (LGSB) issuances in January 2020 (47% of 2019’s LGSB issuance quota) was expected to ease refinancing pressures and allow for more targeted fiscal stimulus.

Eurozone real GDP growth slowed to 1.0% y-o-y in 4Q 2019, as compared to 1.1% in 3Q 2019. The Markit Eurozone Composite PMI improved to 52.5 in December 2019 as compared to 50.1 in September 2019. The Consumer Confidence Indicator declined to -8.1 in December 2019 as compared to -6.5 in September 2019, while CPI rose to 1.3% y-o-y from 0.8% y-o-y over the same period.

The European Central Bank (“ECB”) kept interest rates on main refinancing operations and marginal lending facility unchanged at 0% and 0.25% respectively at its December monetary policy meeting. Given continued muted inflation data, the ECB reiterated its intention to maintain favourable liquidity conditions and an ample degree of monetary accommodation for as long as necessary. Eurozone GDP growth forecast for 2019 was revised up by 0.1% to 1.2% while inflation outlook remained unchanged at 1.2%. For 2020, GDP growth was revised downwards by 0.1% to 1.1% while inflation was revised upwards by 0.1% to 1.1%.

Commodity

The Bloomberg Commodity Index increased 4.0% in 4Q 2019, mirroring recovering PMI data and the announced OPEC+ production cuts. Brent crude price increased 8.6% to US\$66.0 as biofuels production declined seasonally, Saudi Arabia output reduced and demand growth from non-OECD countries improved. Looking forward, the OPEC+ countries would need to cut output by about 0.3 million barrels per day (“mbpd”) in January to comply with their new agreement. Meanwhile, non-OPEC production was forecast to grow by 2.1 mbpd in 2020 with stronger growth in the first half of the year. The

International Energy Agency kept its oil demand growth forecast for 2019 and 2020 at 1 and 1.2 mbpd respectively in its Dec report.

Currency

The Singapore dollar nominal effective exchange rate (S\$NEER) increased over the quarter. The S\$NEER Index strengthened from 127.53 as of 30th Sept 2019 to 128.38 as of 27th Dec 2019. In 4Q 2019, SGD strengthened against USD and CNY by 2.6% and 0.2% respectively while weakening against AUD by 1.2%, EUR by 0.2% and GBP by 5.04%. At the Oct 2019 meeting, the Monetary Authority of Singapore (“MAS”) decided to reduce slightly the rate of appreciation of the S\$NEER policy band. However, it guided that there would be no change to the width of the band or the level at which it was centred.

In its quarterly Recent Economic Developments released in December, MAS noted that growth in the domestic economy was expected to expand at a slower pace, with GDP growth between 0.5-1.0% for the full year of 2019 and 0.5-2.5% in 2020. According to advance estimates by the Ministry of Trade and Industry (“MTI”) released in January, Singapore economy grew by 0.8% y-o-y in 4Q 2019, as compared to 0.7% y-o-y in 3Q19. On a q-o-q seasonally-adjusted annualised basis, real GDP grew at a slower rate by 0.1% as compared to the 2.4% growth seen in the preceding quarter.

Singapore headline inflation rose from the previous quarter as the CPI-All Items for 4Q 2019 came in at 0.8% y-o-y, compared to 0.4% in 3Q19, mainly due to higher services and transport costs. However, the MAS Core Inflation, which excluded the cost of accommodation and private road transport, fell to 0.7% y-o-y in 4Q 2019, compared to 0.8% in 3Q 2019. MAS Core Inflation averaged 1.0% in 2019 and was expected to be within the range of 0.5–1.5% in 2020. CPI-All Items was 0.6% in 2019 and was projected to average 0.5–1.5% in 2020.

TARGETED ASSET CLASSES

Listed Equities

Equities markets advanced strongly in 4Q 2019 with the US and China’s phase one trade deal announcement and positive UK election results.

Reported US corporate earnings fell for the third straight quarter, led by cyclical industries which had been negatively affected by trade uncertainty. US stock buybacks continued to support EPS growth, though not as robustly as last year, with \$171 billion in shares repurchased in the third quarter, 4.3% below the same period last year. The Federal Reserve cut interest rates once in the quarter and indicated that “the current stance of monetary policy is appropriate”. During the quarter, US joblessness declined to 3.5%, the lowest point since 1969, with better than expected wage inflation. Simultaneously, PMI data continued to indicate modest expansion.

Looking forward, fiscal expansion may be required to stimulate economic growth given the limited scope for further monetary easing across key central banks, as many developed economies interest rates were in negative territory.

The MSCI All Country Asia ex-Japan Index increased in both USD terms and SGD terms by 9.78% and 6.91% respectively in 4Q 2019.

Bank Contingent Convertibles (CoCos)

Additional Tier 1 (“AT1”) issuances for 4Q 2019 declined to US\$25.5 billion from US\$68.1 billion in the previous quarter. Chinese banks led issuances with US\$13.4 billion notional issued into their domestic market, while Swiss, German and Russian banks lead the remaining issuances.

The CoCo market spreads ended tighter by 96 bps in 4Q 2019, continuing from the 40 bps tightening in 3Q 2019. Lower forward guidance of net interest margins was offset by ongoing improvements in asset quality and capital build. European banks started disclosing their Pillar 2 Requirements (P2R) for 2020, which for the vast majority remained unchanged. A couple of noteworthy reductions came for Deutsche Bank and Unicredit, with each having 25bps lower requirements going forward after their efforts to reduce risk and simplify their business models. In the UK, the annual stress tests revealed a 1% increase in the counter-cyclical buffer on domestic exposure to be implemented from next year. While this increase was unexpected, part of it (up to 50%) was to be offset by a lower Pillar 2A (equivalent to the ECB’s P2R) as the regulator sought to improve the quality of capital.

Looking forward, the restarting of the quantitative easing by ECB and the increasingly negative sovereign yield curves in Europe are likely to continue to provide technical support for the CoCo asset class against political risk from Brexit related developments and a weakening economic outlook.

The Bank of America Merrill Lynch Contingent Capital Index increased in both USD terms and SGD terms by 5.52% and 2.60% respectively in 4Q 2019.

Loan Portfolio and Securitisation Assets

Issuances of new US and European CLOs totalled US\$35.6 billion and €11.6 billion respectively during 4Q 2019. Over the same period, older US and European CLOs that were refinanced, reset or re-issued amounted to US\$7.0 billion and €3.9 billion respectively.

In 4Q 2019, primary loan market activity picked up considerably in the final quarter of 2019, as US\$141.3 billion was priced in 4Q 2019 vs US\$92.5 billion in the previous quarter. Secondary loan prices ended higher in December against a continued slowing primary loan issuance and increased paydowns. Quarterly repayments declined to 5.25% in 4Q 2019, compared to 7.4% in the previous quarter. Trailing 12-month defaults of 1.3% as of December continued to remain below long-term averages, though leverage ratios of underlying issuers increased slightly with a decline in rating mix.

Looking forward, tough CLO arbitrage, weak CLO equity prices and the lack of primary loan supply were expected to lead to a slower pace of US CLO issuance than previous years. CLO spreads which lagged the tightening of corporate high yield spreads for most of 2019, continued to remain wide vs comparatively rated corporate spreads. The Palmer Square CLO Debt Index increased by 2.01% in USD terms or -0.82% in SGD terms in 4Q 2019.

In Australian public RMBS issuances totalled AUD35.2 billion in 2019, an increase of 26.1% against last year's issuance of AUD27.9 billion. During the quarter, new prime RMBS issuances were priced within existing ranges.

China Domestic Bonds

In mid-November, the PBOC reaffirmed its accommodative monetary stance through a more dovish 3Q Monetary Policy Implementation Report and cut the seven-day reverse repo rate by 5bp within the same month.

During the quarter, the CNY sovereign curve traded lower as the short end of the curve tightened more as a result of the PBOC policy stance. The yield on 3-year government bond was 10 bps lower at 2.66%, 5-year yield decreased 8.4 bps to 2.85%, and 10-year yield declined 1 bps to 3.13%. Corporate credit spreads performance was mixed, with China 5-year Corporate AAA and AA+ spreads having widened by 3 and 7 bps respectively while AA spreads tightened by 17bps in 4Q19. According to a report by Goldman Sachs, China onshore bond defaults reduced to 35, against 38 recorded in 2018. Privately owned enterprise defaults increased to 4.7% of total issuances outstanding vs 4.6% as reported in 2018, while SOE defaults declined to 0.04% in 2019 from 0.12% over the same period.

The Bloomberg Barclays China Aggregate Index gained both in CNY terms and SGD terms by 1.11% and 1.10% respectively in 4Q 2019.

Other Bonds

News of progress in US-China trade negotiations and improved manufacturing and consumer spending data drove modest narrowing in spreads as well as a moderate outperformance in cyclical industries.

Over the fourth quarter, we saw broad tightening in spreads within the high yield space. Asia credit outperformed US credit over the period, as the Fed signalled an intention to pause its rate cuts during a potentially sensitive US election year amidst robust domestic economic indicators. Over the quarter, credit spreads between Asia and US HY tightened by 8 bps. Asia HY spreads tightened by 45 bps while US HY spreads tightened by 37 bps.

Looking forward, investors may deploy capital towards riskier assets selectively given that credit valuations were less expensive in selective markets. The Bloomberg Barclays High Yield Index gained both in USD terms and SGD terms by 3.5% and 0.8% respectively in 4Q 2019.

Summary

Recession risks, which had been elevated by the recent acute outbreak of a new coronavirus, could be partially offset by additional global monetary easing, a trade truce between the US and China, better prospects for an orderly Brexit, and early signs of a rebound in the global purchasing managers' indices (PMIs). The supportive stance of fiscal policy in major economies such as China, Europe, and Japan are also likely to contribute to an improved outlook of a continued economic expansion despite ongoing late cycle concerns.

Valuations have more than recovered from the sell off in 4Q2018, with almost every risk asset — from equities to bonds to commodities — posting strong positive returns in 2019 and risk premia compressed. With that in consideration, the Company will continue to take a cautious stance in rebalancing its portfolio of assets and adopt a selective approach in its investments.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Quarter ended 31 Dec 19 S\$'000	Group Year to date 31 Dec 19 S\$'000	Group Quarter ended 31 Dec 18 S\$'000	Group Year to date 31 Dec 18 S\$'000
Income				
Dividend income	82	1,664	78	1,643
Interest income	3,544	14,396	3,679	14,876
Net foreign exchange gain (net of hedges)	-	-	9,606	11,078
Net gain/(loss) on financial assets at fair value through profit or loss	2,843	9,896	(13,096)	(22,429)
Other income	-	-	-	6,838
Total income	6,469	25,956	267	12,006
Expenses				
Management fees	(620)	(2,333)	(474)	(2,205)
Incentive fees	(1,326)	(1,326)	-	-
Net foreign exchange loss (net of hedges)	(404)	(426)	-	-
Other operating expenses	(590)	(2,020)	(726)	(2,388)
Total expenses	(2,940)	(6,105)	(1,200)	(4,593)
Profit before tax	3,529	19,851	(933)	7,413
Income tax expense	(1)	(104)	1	(87)
Profit after tax	3,528	19,747	(932)	7,326
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences arising from consolidation				
- Loss	-	-	(9,849)	(11,115)
Other comprehensive income for the period after tax	-	-	(9,849)	(11,115)
Total comprehensive income for the period attributable to shareholders	3,528	19,747	(10,781)	(3,789)
Basic earnings per share (cents per share)	0.21	1.16	(0.05)	0.43
Diluted earnings per share (cents per share)	0.21	1.16	(0.05)	0.43

STATEMENT OF FINANCIAL POSITION

	Group As at 31 Dec 19 S\$'000	Group As at 31 Dec 18 S\$'000	Company As at 31 Dec 19 S\$'000	Company As at 31 Dec 18 S\$'000
ASSETS				
Non-current assets				
Financial assets at fair value through profit or loss	198,679	220,523	198,679	220,523
	198,679	220,523	198,679	220,523
Current assets				
Cash and cash equivalents	40,945	35,363	40,945	35,363
Financial assets at fair value through profit or loss	79,896	63,299	79,896	63,299
Other assets	4,143	4,244	4,143	4,244
	124,984	102,906	124,984	102,906
Total Assets	323,663	323,429	323,663	323,429
LIABILITIES				
Other liabilities	2,765	1,216	2,765	1,216
Total Liabilities	2,765	1,216	2,765	1,216
Net assets attributable to shareholders	320,898	322,213	320,898	322,213
EQUITY				
Share capital	266,634	270,837	266,634	270,837
Capital reserve	2	-	2	-
Retained earnings	54,262	51,376	54,262	51,376
Total Equity	320,898	322,213	320,898	322,213
Net asset value per share (S\$ per share)	0.1895	0.1869	0.1895	0.1869

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Quarter ended 31 Dec 19 S\$'000	Group Year to date 31 Dec 19 S\$'000	Group Quarter ended 31 Dec 18 S\$'000	Group Year to date 31 Dec 18 S\$'000
Cash flows from operating activities				
Operating costs paid	(1,172)	(4,528)	(1,194)	(5,462)
Interest income received	3,165	14,572	3,262	14,299
Dividend income received	160	1,553	202	1,571
Settlement of forward contracts	-	-	-	2,357
Other income received	-	-	-	6,838
Income tax paid	(6)	(104)	-	(87)
Net cash flows from operating activities	2,147	11,493	2,270	19,516
Cash flows from investing activities				
Purchase of financial assets	(2,539)	(24,971)	(13,953)	(142,505)
Redemption/maturity of financial assets	7,842	25,955	11,991	41,196
Proceeds from disposal of financial assets	-	14,548	1,050	37,780
Net cash flows generated from / (used in) investing activities	5,303	15,532	(912)	(63,529)
Cash flows used in financing activities				
Dividends paid out to shareholders	(3,552)	(7,466)	(4,899)	(8,562)
Purchase of treasury shares	(2,565)	(13,595)	-	-
Net cash flows used in financing activities	(6,117)	(21,061)	(4,899)	(8,562)
Net increase / (decrease) in cash and cash equivalents	1,333	5,964	(3,541)	(52,575)
Cash and cash equivalents at beginning of period	39,987	35,363	39,016	88,090
Effects of exchange rate changes on cash and cash equivalents	(375)	(382)	(112)	(152)
Cash and cash equivalents at end of period	40,945	40,945	35,363	35,363

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity of the Group for the quarter and period ended 31 December 2019	Share capital S\$'000	Treasury Shares S\$'000	Capital reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Total equity at 1 January 2019	270,837	-	-	51,376	322,213
Total comprehensive income for the 9 months ended 30 September 2019	-	-	-	16,219	16,219
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(11,306)	-	-	(11,306)
Dividends for the period	-	-	-	(16,861)	(16,861)
Transfer of treasury shares ¹	-	4,505	10	-	4,515
Total equity at 30 September 2019	270,837	(6,801)	10	50,734	314,780
Total comprehensive income for the 4 th quarter ended 31 December 2019	-	-	-	3,528	3,528
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(2,289)	-	-	(2,289)
Transfer of treasury shares ¹	-	4,887	(8)	-	4,879
Total equity at 31 December 2019	270,837	(4,203)	2	54,262	320,898

Changes in shareholders' equity of the Group for the quarter and period ended 31 December 2018	Share capital S\$'000	Capital reserve S\$'000	Available-for-sale financial assets revaluation reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Total equity at 1 January 2018 (as previously stated)	563,537	(65,846) ²	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 9 months ended 30 September 2018	-	-	-	(1,266)	8,258	6,992
Transactions with equity holders in their capacity as equity holders:						
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	6,252	-	-	-	-	6,252
Dividends for the period	-	-	-	-	(18,396)	(18,396)
Total equity at 30 September 2018	569,789	(65,846)	-	9,849	(184,380)	329,412
Total comprehensive income for the 4 th quarter ended 31 December 2018	-	-	-	(9,849)	(932)	(10,781)
Transactions with equity holders in their capacity as equity holders:						
Share capital reduction	(302,534)	65,846	-	-	236,688	-
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	3,582	-	-	-	-	3,582
Total equity at 31 December 2018	270,837	-	-	-	51,376	322,213

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

² 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 and period ended 31 December 2019	Share capital S\$'000	Treasury Shares S\$'000	Capital reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Total equity at 1 January 2019	270,837	-	-	51,376	322,213
Total comprehensive income for the 9 months ended 30 September 2019	-	-	-	16,219	16,219
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(11,306)	-	-	(11,306)
Dividends for the period	-	-	-	(16,861)	(16,861)
Transfer of treasury shares ¹	-	4,505	10	-	4,515
Total equity at 30 September 2019	270,837	(6,801)	10	50,734	314,780
Total comprehensive income for the 4 th quarter ended 31 December 2019	-	-	-	3,528	3,528
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(2,289)	-	-	(2,289)
Transfer of treasury shares ¹	-	4,887	(8)	-	4,879
Total equity at 31 December 2019	270,837	(4,203)	2	54,262	320,898

Changes in shareholders' equity of the Company for the quarter and period ended 31 December 2018	Share capital S\$'000	Capital reserve S\$'000	Available-for-sale financial assets revaluation reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Total equity at 1 January 2018 (as previously stated)	563,537	(65,846) ²	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 9 months ended 30 September 2018	-	-	-	6,992	6,992
Transactions with equity holders in their capacity as equity holders:					
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	6,252	-	-	-	6,252
Dividends for the period	-	-	-	(18,396)	(18,396)
Total equity at 30 September 2018	569,789	(65,846)	-	(174,531)	329,412
Total comprehensive income for the 4 th quarter ended 31 December 2018	-	-	-	(10,781)	(10,781)
Transactions with equity holders in their capacity as equity holders:					
Share capital reduction	(302,534)	65,846	-	236,688	-
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	3,582	-	-	-	3,582
Total equity at 31 December 2018	270,837	-	-	51,376	322,213

1. Please refer to note 1 on page 13.
2. Please refer to note 2 on page 13.

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

For the financial year ended 31 December 2019, the Directors have recommended the payment of a final dividend of 0.50 Singapore cents per share. The final dividend will be subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 29 April 2020. The dividend will be paid on or about 16 June 2020.

The Company paid an interim dividend of 0.50 Singapore cents per share for the financial year ending 31 December 2019 amounting to S\$8.43 million on 10 October 2019.

Details of the proposed dividends, along with interim ones paid during the course of the financial year, are as follows:

Ordinary Shares	Group 2019	Group 2018
<u>Interim Dividend</u>		
Dividend per Share (cents)	0.50	0.50
Dividend amount (S\$'000)	8,432	8,481
<u>Final Dividend</u>		
Dividend per Share (cents)	0.50	0.50
Dividend amount (S\$'000)	8,468*	8,429
Total Dividend (S\$'000)	16,900	16,910

* FY19 final dividend is calculated based on the number of outstanding shares as at 31 December 2019.

For the financial year ended 31 December 2019, the Company has obtained the Inland Revenue Authority of Singapore's confirmation that it is a tax resident of Singapore.

The Company has also received confirmation from Inland Revenue Authority of Singapore that it is a tax resident of Singapore for the financial year 2020.

Dividends paid in 2018 and 2019 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 is as follows:

	Quarter ended 31 Dec 19 '000	Year to date 31 Dec 19 '000	Quarter ended 31 Dec 18 '000	Year to date 31 Dec 18 '000
Number of shares				
Issued ordinary shares				
Balance at beginning of period	1,723,842	1,723,842	1,696,295	1,652,575
Shares issued pursuant to Scrip Dividend Scheme	-	-	27,547	71,267
Balance at end of period	1,723,842	1,723,842	1,723,842	1,723,842
Treasury shares				
Balance at beginning of period	(50,439)	-	-	-
Purchase of treasury shares	(16,288)	(101,458)	-	-
Transfer of treasury shares ^{1,2}	36,414	71,145	-	-
Balance at end of period	(30,313)	(30,313)	-	-
Issued ordinary shares net of treasury shares	1,693,529	1,693,529	1,723,842	1,723,842

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

² On 10 October 2019, 36,413,936 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme.

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

Under the Share Buy Back Mandate, the Company purchased a total of 16,287,600 ordinary shares during the current quarter. These are held as treasury shares. The amount paid, including brokerage fee, totalled S\$2.3 million and was deducted against equity.

For the financial year ended 31 December 2019, the Company purchased a total of 101,458,600 ordinary shares. These are held as treasury shares. The amount paid, including brokerage fee, total S\$13.6 million and was deducted against equity.

As at 31 December 2019, the outstanding number of treasury shares represented 1.79% (31 December 2018: Nil) of the total number of issued shares (excluding treasury shares).

NET ASSET VALUE

	Group and Company As at 31 Dec 19	Group and Company As at 31 Dec 18
Total net asset value (S\$'000)	320,898	322,213
Total number of ordinary shares in issue used in calculation of net asset value per share ('000)	1,693,529	1,723,842
Net asset value per ordinary share (S\$ per share)	0.1895	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 December 2019 was 18.95 Singapore cents after the payment of 2018 final dividend and 2019 interim dividend, each of 0.50 Singapore cents per share. If the 2018 final dividend was paid and the treasury shares relating to the Scrip Dividend Scheme had been utilised before 31 December 2018, the net asset value per share as at 31 December 2018 would have been 18.20 Singapore cents instead of 18.69 Singapore cents per share. After adjusting for the 2019 interim dividend and balance treasury shares, the net asset value per share as at 31 December 2019 would have been 19.35 Singapore cents and the increase in net asset value per share would be 6.3%.

EARNINGS PER SHARE

	Group Quarter ended 31 Dec 19	Group Year to date 31 Dec 19	Group Quarter ended 31 Dec 18	Group Year to date 31 Dec 18
Basic earnings per share				
Earnings used in calculation of basic earnings per share (S\$'000)	3,528	19,747	(932)	7,326
Weighted average number of shares in issue used in calculation of basic earnings per share ('000)	1,696,162	1,695,474	1,720,549	1,688,873
Basic earnings per share (cents per share)	0.21	1.16	(0.05)	0.43
Diluted earnings per share				
Earnings used in calculation of diluted earnings per share (S\$'000)	3,528	19,747	(932)	7,326
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,696,162	1,695,474	1,720,549	1,688,873
Diluted earnings per share (cents per share) ¹	0.21	1.16	(0.05)	0.43

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.

SEGMENT REPORTING

The Board has determined the operating segments of the Group from an asset class perspective namely loan portfolio and securitisation assets, China domestic bonds, other bonds, bank contingent convertibles and listed equities. Geographical classification is assessed by reference to the country of exposure for the year ended 31 December 2019.

	Loan Portfolio and Securitisation Assets				China Domestic Bonds	Other Bonds					Bank Contingent Convertibles					Listed Equities				Others ¹ (mainly Singapore)	Total		
	Europe	Asia	North America	Australia		Europe	Asia	North America	Australia	Others	Europe	Asia	North America	Australia	Others	Europe	Asia	North America	Australia				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
2019																							
For the year ended 31 December 2019																							
Total segment income	66	233	1,431	211	1,005	(61)	600	306	27	3,086	12,774	84	225	775	2,019	135	2,409	(13)	141	503	25,956		
Segment profit/(loss) before tax	79	233	1,427	211	978	(62)	599	297	25	3,084	12,768	84	223	775	2,020	135	2,404	(13)	139	(5,555)	19,851		
Included segment items																							
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61	1,585	-	18	-	1,664		
Interest income	65	273	706	293	2,060	80	497	1,295	47	808	6,388	70	104	251	956	-	-	-	-	503	14,396		
Net gain/(loss) on financial assets at fair value through profit or loss	1	(40)	725	(82)	(1,055)	(141)	103	(989)	(20)	2,278	6,386	14	121	524	1,063	74	824	(13)	123	-	9,896		
Net foreign exchange (loss)/gain (net of hedges)	13	-	(3)	-	(27)	(1)	(1)	(9)	(2)	(2)	(6)	-	(2)	-	1	-	(5)	-	(2)	(380)	(426)		
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
As at 31 December 2019																							
Total segment assets	1,490	4,654	5,297	4,178	39,933	1,666	14,001	14,890	-	12,189	123,059	1,784	1,461	4,906	9,757	1,632	41,032	455	-	41,279	323,663		
Total segment liabilities	-	-	-	-	(77)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,688)	(2,765)	

¹ Relates to corporate function and the assets comprise mainly uninvested cash and cash equivalents.

UNAUDITED FINANCIAL REPORT
For the quarter and year ended 31 December 2019

	Loan Portfolio and Securitisation Assets				China Domestic Bonds	Other Bonds					Bank Contingent Convertibles					Listed Equities				Others ¹ (mainly Singapore)	Total		
	Europe	Asia	North America	Australia		Europe	Asia	North America	Australia	Others	Europe	Asia	North America	Australia	Others	Europe	Asia	North America	Australia				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
2018																							
For the year ended 31 December 2018																							
Total segment income	432	(65)	1,413	(51)	1,919	478	(887)	115	(147)	567	(372)	38	(39)	(479)	924	(1,047)	(8,454)	(259)	(171)	18,091	12,006		
Segment profit/(loss) before tax	432	(65)	1,412	(51)	1,919	478	(887)	115	(147)	567	(375)	37	(39)	(479)	923	(1,047)	(8,454)	(259)	(171)	13,504	7,413		
Included segment items																							
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80	1,511	-	52	-	1,643		
Interest income	247	83	1,674	303	2,244	555	460	1,286	219	799	5,130	70	103	424	1,002	-	-	-	-	277	14,876		
Net gain/(loss) on financial assets at fair value through profit or loss	214	(173)	(251)	(358)	(201)	(80)	(1,192)	(1,229)	(363)	(273)	(5,745)	(32)	(148)	(875)	(176)	(1,127)	(9,938)	(259)	(223)	-	(22,429)		
Net foreign exchange gain/(loss) (net of hedges)	(29)	25	(10)	4	(124)	3	(155)	58	(3)	41	243	-	6	(28)	98	-	(27)	-	-	10,976	11,078		
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,838	6,838		
As at 31 December 2018																							
Total segment assets	-	4,704	10,052	4,348	56,817	1,807	15,789	15,886	3,985	9,914	96,153	1,771	1,340	6,367	11,463	1,560	45,028	468	442	35,535	323,429		
Total segment liabilities	(116)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11)	-	-	(1,089)	(1,216)		

¹ Relates to corporate function and the assets comprise mainly uninvested cash and cash equivalents.

BREAKDOWN OF INCOME AND OPERATING PROFIT AFTER TAX

	Group 2019 S\$'000	Group 2018 S\$'000
Financial period from 1 January to 30 June (unaudited)		
Total income for the financial period from 1 January to 30 June	19,200	4,243
Operating profit after tax for the financial period from 1 January to 30 June	15,693	1,943
Financial period from 1 July to 31 December (unaudited)		
Total income for the financial period from 1 July to 31 December	6,756	7,763
Operating profit after tax for the financial period from 1 July to 31 December	4,054	5,383
Financial year from 1 January to 31 December (unaudited)		
Total income for the financial period from 1 January to 31 December	25,956	12,006
Operating profit after tax for the financial period from 1 January to 31 December	19,747	7,326

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 and year ended 31 December 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.

CONFIRMATION PURSUANT TO RULE 704(13) OF THE LISTING MANUAL

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there are no persons occupying managerial positions in the Company or in any of its principal subsidiaries who are relatives of a director, chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors

Boon Swan Foo
Chairman
20 February 2020

Tan Kok Wee
Director
20 February 2020