



# GLOBAL INVESTMENTS LIMITED

## Half and Full Year Results for the Year Ended 31 December 2020

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SICIM, as manager of GIL is entitled to fees for so acting. SICIM 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 Listing Manual of the Singapore Exchange Securities Trading Limited (Listing Manual) and where relevant, to satisfy the requirements of the International Financial Reporting Standards. The responsibility for the preparation of the financial report and any financial information contained in this financial report rests solely with the directors of GIL.

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## PERFORMANCE REVIEW

### **FINANCIAL PERFORMANCE FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

Amid the ongoing COVID-19 pandemic and the volatility in the financial market, the Group managed to recover its losses incurred during 1H 2020. For the half year ended 31 December 2020, the Group reported a net profit after tax of S\$23.0 million, about 5.6 times of the S\$4.1 million recorded in the same period last year.

#### **INCOME**

The Group reported an income of S\$25.4 million for the half year ended 31 December 2020, about 3.1 times of the S\$8.1 million recorded in the same period last year. The higher income was mainly contributed by a higher net fair value gain on financial assets at fair value through profit or loss (FVTPL) of S\$17.2 million versus S\$0.3 million recorded in 2H 2019. This sharp recovery was mainly contributed by the increase in valuation of the listed equities and bank contingent convertibles asset classes during 2H 2020.

#### **EXPENSES**

Expenses for the half year ended 31 December 2020 was lower at S\$2.4 million as compared to S\$4.0 million recorded in 2H 2019. This was mainly due to the absence of incentive fee of S\$1.3 million which was recorded in 2H 2019.

### **FINANCIAL PERFORMANCE FOR THE FULL YEAR ENDED 31 DECEMBER 2020**

For the year ended 31 December 2020, the Group reported a net profit after tax of S\$14.3 million as compared to S\$19.7 million recorded last year, a decline of 27.4%.

#### **INCOME**

The Group reported an income of S\$18.8 million for the year, 27.7% lower than the S\$26.0 million recorded last year. The lower income was mainly contributed by a lower net fair value gain on financial assets at FVTPL of S\$0.7 million versus S\$9.9 million last year. The Group also recorded a net foreign exchange gain of S\$1.6 million during the year as compared to a loss of S\$0.4 million last year.

#### **EXPENSES**

Expenses for the current year was lower at S\$4.3 million as compared to S\$6.1 million recorded last year. This was mainly due to the absence of incentive fee of S\$1.3 million and a net foreign exchange loss of S\$0.4 million recorded last year.

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## **STATEMENT OF FINANCIAL POSITION**

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

The financial assets at FVTPL as at 31 December 2020 was S\$282.6 million and comprises the entire portfolio of investments held by the Group. This was S\$4.0 million higher than the carrying value of the portfolio of investments of S\$278.6 million as at 31 December 2019. The increase was mainly due to the net purchase of financial assets during the year.

### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents decreased to S\$26.9 million as at 31 December 2020 compared to S\$40.9 million as at 31 December 2019. This was mainly due to the purchase of treasury shares and investments as well as the payment of FY2019 final dividend and FY2020 interim dividend during the year.

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

The net asset value per share of the Group as at 31 December 2020 was 19.15 Singapore cents after the payment of 2019 final dividend and 2020 interim dividend, 0.50 and 0.40 Singapore cents per share respectively. If the 2019 final dividend was paid and the treasury shares relating to the Scrip Dividend Scheme had been utilised before 31 December 2019, the net asset value per share as at 31 December 2019 would have been 18.37 Singapore cents instead of 18.95 Singapore cents per share. After adjusting for the 2020 interim dividend, the net asset value per share as at 31 December 2020 would have been 19.67 Singapore cents and the increase in net asset value per share would be 7.1%.

### **RETURN ON EQUITY**

The Group achieved a lower return on equity (computed based on net profit after tax over the average total equity) of 4.5% in 2020 as compared to 6.1% in 2019 due to lower 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 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 2020 comprised the following assets:

### LISTED EQUITIES

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

### BANK CONTINGENT CONVERTIBLES

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

### LOAN PORTFOLIO AND SECURITISATION ASSETS

The Group is invested in a portfolio of USD 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).

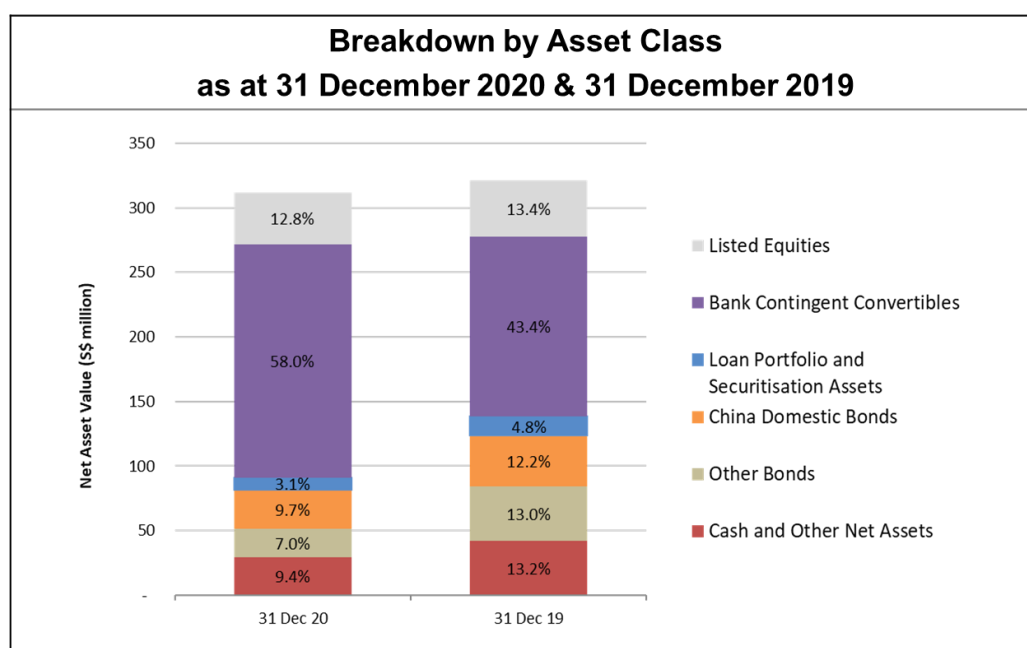
### BONDS

#### 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 2020 and 31 December 2019 is S\$311.88 million and S\$320.89 million respectively.

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

### MACROECONOMIC

In its latest release of the World Economic Outlook (“WEO”) in January 2021, the International Monetary Fund (“IMF”) projected 2020 global growth at -3.5%, 6.8 percentage point lower than the pre-COVID projection in January 2020. Global GDP growth for 2021 was projected at 5.5%, 2.1 percentage point higher compared to the January publication. The wide fluctuations in projections within a short time span reflected the immense impact of the pandemic on global economy which went through a sharp drop in 1H20 followed by a V-shaped recovery in 2H20.

In the US, according to advance estimates from the Bureau of Economic Analysis, GDP contracted 1.2% quarter-on-quarter (“q-o-q”) in 4Q 2020; however, compared to 2Q 2020, 4th quarter GDP registered a 10.0% growth, reflecting robust recovery from the sharp decline earlier in the year. Overall, full year 2020 GDP growth fell 2.3% from 2019. The December ISM Manufacturing Purchasing Manager Index (“PMI”) was 60.7 compared to 50.9 in January. The ISM Services PMI Index increased from 55.5 in January to 57.2 in December 2020. Meanwhile, the annual inflation rate in 2020 as measured by the Consumer Price Index (“CPI”) was 1.4% as compared to 2.3% in 2019. The US unemployment rate was 6.7% in December 2020, an improvement from 11.1% in June 2020; labour participation rate remained unchanged at 61.5% over the same period.

In response to the pandemic outbreak, the Fed reduced the target interest rate range to 0-0.25% in mid-March 2020, a level it remained at till today. In addition to aggressive rate cuts, the US government implemented a \$2 trillion stimulus package which included direct payment to individuals, small business grants and financial assistance to big businesses. As Biden took office in early 2021, the US economy looked forward to further stimulus as the new president proposed a new US\$1.9 trillion rescue plan.

The Chinese economy grew 6.5% y-o-y in 4Q 2020 as compared to 3.2% in 2Q 2020. The Caixin Manufacturing PMI increased from 51.2 in June to 53.0 in December 2020. Over the same period, the Caixin Services PMI declined from 58.4 to 56.3. Retail sales growth was 4.6% y-o-y in December 2020 as compared to -1.8% in June. Exports expanded by 18.1% y-o-y in December 2020 as compared to 0.5% in June. Imports growth was 6.5% y-o-y compared to 2.7% y-o-y over the same period. CPI was 0.2% y-o-y in December 2020, down from 4.5% a year ago.

Despite the pandemic, China was the only major economy to register positive growth in 2020. With the coronavirus brought under control, the Chinese economy staged a healthy recovery in the second half of 2020 as the society returned to normal. Most indicators such as industrial output, fixed investments, car sales and domestic tourism pointed to China bouncing back from and moving past the pandemic.

Eurozone real GDP growth contracted by 2.0% q-o-q in 4Q 2020, a rebound from the contraction of 12.1% q-o-q in 2Q 2020. The Markit Eurozone Composite PMI stood at 49.1 in December 2020 compared to 48.5 in June. The Consumer Confidence Indicator was -13.8 in December 2020, a slight improvement from -14.7 in June. CPI decreased to -0.3% y-o-y from 0.3% y-o-y over the same period.

Countries in Europe were initially unprepared when the first wave of the pandemic hit the continent in early 2020. However, the European governments were quick to adjust and made coordinated efforts to roll out massive macroeconomic and healthcare support packages. EU leaders implemented the €750 billion NextGenerationEU recovery package, consisting of loans and grants to member countries. Additionally, the European Central Bank (“ECB”) introduced the expanded €1,850 billion pandemic emergency purchase programme (“PEPP”), a temporary asset purchase program to reduce borrowing costs and committed to keep key ECB interest rates at low levels. Despite having procured vaccines while still at the trial stage, the EU faced difficulties in its actual delivery as it battled the second wave of virus resurgence. Much political will and coordination in the EU will be required to ensure the delivery of the vaccines, without which the return to normalcy in the continent will be delayed.

### Commodity

After hitting the trough in April, the Bloomberg Commodity Index rebounded 28% between April and December 2020. Overall, the index declined -3.5% for the full year 2020. While almost all commodity prices rebounded in the second half of 2020, the pace of recovery across commodities varied. Supported by OPEC supply cuts, crude oil price doubled from the April low but remained below its pre-pandemic levels. In contrast, metal prices saw strong recovery and ended the year above their pre-pandemic levels. Metals demand was well supported by supply disruptions in Latin America and robust China industrial activities, and was widely expected to continue its momentum into the new year.

## Currency

The Singapore dollar nominal effective exchange rate (S\$NEER) index maintained flat from 125.87 in June 2020 to 125.42 in December 2020. In its October 2020 meeting, the Monetary Authority of Singapore (“MAS”) maintained a zero percent per annum rate of appreciation of the policy band. The width of the policy band and its mid-point also remained unchanged.

According to the latest figures from the Ministry of Trade and Industry (“MTI”) released in November 2020, the Singapore economy is expected to contract 6.0% to 6.5% in 2020. This contrasted to a 13.2% y-o-y contraction in 2Q 2020. The economy is forecasted to expand 4% to 6% in 2021.

Based on latest available release, the decline in Singapore headline inflation moderated as the CPI-All Items Inflation came in at -0.1% y-o-y in November 2020 as compared to -0.5% y-o-y in June. The MAS Core Inflation, which excludes the costs of accommodation and private road transport, was -0.1% y-o-y in November as compared to -0.2% y-o-y in June. Both MAS Core Inflation and CPI-All Items inflation are forecasted to come in between -0.5 and 0% in 2020.

## TARGETED ASSET CLASSES

### Listed Equities

Equities markets experienced an intense pandemic-driven sell-off in early 2020, which saw the MSCI All Country World Index (“MSCI ACWI”) collapsing more than 30% from February to March. It further surprised with a sharp rally despite major economies still in lockdown and recovered the losses within 5 months of hitting the trough. With the world entering recession, the index broke record high and ended 2020 with 14% gains.

The unusual behaviour in the equities markets puzzled many observers. Despite the equities markets trading at record multiples, pandemic stimulus packages, lower-for-longer interest rates and expectations of vaccine approvals created an exuberant mood which attracted many first-time participants to the stock market. At a deeper level, the pandemic accelerated a shift to the digital economy which fuelled a rally in technology and new economy stocks. As an indication, the S&P Information Technology index gained 40% in 2020 as compared to old economy sectors such as Real Estate and Energy which lost 4% and 38%, respectively.

As the equities markets carried its momentum into 2021, the debate between growth and value grew. For the moment, growth investors continued to enjoy expanding earnings as new economy stocks out-performed expectations in a coronavirus-ravaged year. That said, it is worth reminding that the world is still struggling with virus resurgences, bottlenecks in vaccine productions and inequitable distributions. Therefore, caution must be called for as investors navigate an increasingly topish and volatile equities environment.

The MSCI All Country Asia ex-Japan Index increased by 29.9% in USD terms and by 23.1% in SGD terms in the second half of 2020.

### Bank Contingent Convertibles (CoCos)

Credit spreads on the CoCo market continued its tightening trend in 2H 2020, as the Brexit deal on 24 December was followed by the first AstraZeneca-Oxford vaccine regulatory approval which was expected to materially shorten vaccination rollout times. However, while spreads have tightened by almost 200 bps across this period, it was still not back at the pre-pandemic lows last seen in February 2020.

Furthermore, with the extension of the terms of the targeted longer-term refinancing operations (“TLTRO”) as well as the expansion of the PEPP, the ECB has clearly indicated its stand to assure favourable financing conditions for the duration of the pandemic.

However, downside risks were still substantial, relating to rising NPLs, deleveraging in the banking sector and rising unemployment depressing the wage and inflation outlook. Nonetheless, investors recognised that bank balance sheets were strong enough to withstand the likely asset quality deterioration.

The Bank of America Merrill Lynch Contingent Capital Index returned 14.8% in USD terms and 8.8% in SGD terms in 2H 2020.

## Loan Portfolio and Securitisation Assets

Issuances of new US and European CLOs totalled US\$56.6 billion and €142.0 billion respectively during 2H 2020, compared to US\$34.2 billion and €11.0 billion in 1H 2020. Over the same period, older US and European CLOs that were refinanced, reset or re-issued amounted to US\$8.7 billion and €0.8 billion respectively, versus US\$23.9 billion and €0.9 billion in 1H 2020.

Moody's and S&P ratings changes in loans showed that the trailing 12-month upgrade-to-downgrade ratio in total has increased to 0.24 in December 2020, from a record low of 0.17 in June 2020. On a monthly basis, the number of loan downgrades has decreased dramatically to 10-20 in December, from around 200 in April. Given the market recovery and vaccine progress, loan upgrades are expected to improve while downgrades remain muted. As a result, the upgrade-to-downgrade ratio is expected to improve further.

Going forward, spreads are at risk of consolidating in the first half of 2021 as markets remain vulnerable to shocks due to uncertainties around vaccine distribution and economic recovery. However, central bank support and low net supply across spread products will further support the CLO market. The Palmer Square CLO Debt Index returned 8.1% in USD terms and 2.5% in SGD terms in 2H 2020.

In Australian public RMBS market, issuances totalled AUD31.5 billion in 2020, a decrease compared to last year's issuance of AUD44.0 billion. While primary issuances in March and April were impacted by the pandemic, the market quickly recovered following government support, with a surge in issuances in the 4th quarter of the year. Similarly, spreads also tightened from the March and April levels, with bank RMBS spreads in general even tighter than pre-pandemic levels. Issuances are expected to increase in 2021, while investors' demand will remain strong amidst a low yield environment and Australian RMBS providing attractive relative value.

## China Domestic Bonds

China onshore bond yields moved higher in 2H 2020, with 5-year government bond yields rising by 39 bps, and 5-year AAA and AA-rated corporate bond yields rising by 15 bps and 34 bps respectively. As the Chinese economy stabilized, investors increased allocation significantly into equities, which saw bond yields moved higher. Credit spreads tightened, with AAA, AA+ and AA 5-year credit spreads over treasuries decreasing by 24 bps, 1 bps and 5 bps respectively. A number of high-profile defaults during this period, including state-owned Yongcheng Coal and major car automotive company Brilliance Auto Group, drove the divergence in credit spread movement.

The PBOC may shift to a less accommodative monetary policy stance in 2021 to preserve policy room, on the back of China's economic recovery. The tapering of monetary support may be in the form of slowing money and credit supply instead of interest-rate hikes.

The Bloomberg Barclays China Aggregate Index increased by 0.4% in CNY terms and by 3.1% in SGD terms for the second half of 2020.

## Other Bonds

The recovery in high yield bond prices extended into the second half of 2020 amid positive vaccine news, a dovish Fed, progress on a new economic relief package, and better than feared earnings. During this period credit spreads across US, European and emerging markets high yields tightened by 271 bps, 178 bps and 264 bps respectively, based on the Bloomberg Barclays High Yield indices.

With the exception of emerging markets, high-yield spreads are still higher than lows last seen in February 2020. Going into 2021, given prospects for more vaccine options, ongoing central banks' support, likely additional fiscal support, and improving economic activity, there should be room for further tightening.

The Bloomberg Barclays Global High Yield Index returned 12.3% in USD terms and 6.5% in SGD terms for the second half of 2020.



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## Summary

Global economies rebounded sharply in the second half of 2020 as central banks and governments maintained unprecedented policy support in view of the ongoing COVID-19 pandemic. In particular, a gradual return to normalcy in China led to a strong performance of their economy, which also provided a boost to their trade partners.

In addition, positive news from the COVID-19 vaccine roll-out, and political developments in the US, fuelled risk-on sentiments among investors which saw equity markets and commodity prices reaching new highs compared to pre-pandemic levels.

Despite the bullish market sentiments, uncertainties continue to persist over adequacy of vaccine supply for the emerging economies and efficient vaccine distribution program for developed economies. Many countries are seeing a resurgence in COVID-19 infections with the onset of winter in the Northern hemisphere, which is dampening expectations for a continued robust economic recovery in 2021. Going forward, ensuring continued vaccine supply and distribution will remain key. Taking all these factors into consideration, the Company will continue to take a cautious stance in rebalancing its portfolio of assets and adopt a selective approach in its investments.

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		Group	
	Half year ended 31 Dec 20 S\$'000	Full year ended 31 Dec 20 S\$'000	Half year ended 31 Dec 19 S\$'000	Full year ended 31 Dec 19 S\$'000
Income				
Dividend income	720	1,599	593	1,664
Interest income	7,485	14,924	7,136	14,396
Net foreign exchange gain	-	1,577	-	-
Net gain on financial assets at fair value through profit or loss	17,238	666	325	9,896
Total income	25,443	18,766	8,054	25,956
Expenses				
Management fees	(1,194)	(2,320)	(1,212)	(2,333)
Incentive fees	-	-	(1,326)	(1,326)
Net foreign exchange loss	(107)	-	(332)	(426)
Other operating expenses	(1,082)	(2,007)	(1,109)	(2,020)
Total expenses	(2,383)	(4,327)	(3,979)	(6,105)
Profit before tax	23,060	14,439	4,075	19,851
Income tax expense	(52)	(120)	(21)	(104)
Profit after tax	23,008	14,319	4,054	19,747
Total comprehensive income for the period attributable to shareholders	23,008	14,319	4,054	19,747
Basic earnings per share (cents per share)	1.41	0.87	0.24	1.16
Diluted earnings per share (cents per share)	1.41	0.87	0.24	1.16

## STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at 31 Dec 20 S\$'000	As at 31 Dec 19 S\$'000	As at 31 Dec 20 S\$'000	As at 31 Dec 19 S\$'000
<b>ASSETS</b>				
Non-current assets				
Financial assets at fair value through profit or loss	214,336	198,679	214,336	198,679
	214,336	198,679	214,336	198,679
Current assets				
Cash and cash equivalents	26,908	40,945	26,908	40,945
Financial assets at fair value through profit or loss	68,244	79,896	68,244	79,896
Other assets	3,963	4,143	3,963	4,143
	99,115	124,984	99,115	124,984
<b>Total Assets</b>	<b>313,451</b>	<b>323,663</b>	<b>313,451</b>	<b>323,663</b>
<b>LIABILITIES</b>				
Other liabilities	1,577	2,765	1,577	2,765
<b>Total Liabilities</b>	<b>1,577</b>	<b>2,765</b>	<b>1,577</b>	<b>2,765</b>
<b>Net assets attributable to shareholders</b>	<b>311,874</b>	<b>320,898</b>	<b>311,874</b>	<b>320,898</b>
<b>EQUITY</b>				
Share capital	270,837	270,837	270,837	270,837
Treasury shares	(12,978)	(4,203)	(12,978)	(4,203)
Capital reserve	68	2	68	2
Retained earnings	53,947	54,262	53,947	54,262
<b>Total Equity</b>	<b>311,874</b>	<b>320,898</b>	<b>311,874</b>	<b>320,898</b>
<b>Net asset value per share (S\$ per share)</b>	<b>0.1915</b>	<b>0.1895</b>	<b>0.1915</b>	<b>0.1895</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	Half year ended 31 Dec 20 S\$'000	Full year ended 31 Dec 20 S\$'000	Half year ended 31 Dec 19 S\$'000	Full year ended 31 Dec 19 S\$'000
<b>Cash flows from operating activities</b>				
Operating costs paid	(2,512)	(6,108)	(2,252)	(4,528)
Interest income received	7,781	15,082	7,720	14,572
Dividend income received	984	1,446	897	1,553
Income tax paid	(55)	(123)	(21)	(104)
<b>Net cash flows from operating activities</b>	<b>6,198</b>	<b>10,297</b>	<b>6,344</b>	<b>11,493</b>
<b>Cash flows from investing activities</b>				
Purchase of financial assets	(15,006)	(64,401)	(7,306)	(24,971)
Redemption/maturity of financial assets	30,853	55,396	23,933	25,955
Proceeds from disposal of financial assets	4,961	6,153	-	14,548
<b>Net cash flows (used in) / generated from investing activities</b>	<b>20,808</b>	<b>(2,852)</b>	<b>16,627</b>	<b>15,532</b>
<b>Cash flows used in financing activities</b>				
Dividends paid out to shareholders	(5,719)	(5,719)	(3,552)	(7,466)
Purchase of treasury shares	(6,959)	(17,482)	(5,804)	(13,595)
<b>Net cash flows used in financing activities</b>	<b>(12,678)</b>	<b>(23,201)</b>	<b>(9,356)</b>	<b>(21,061)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>14,328</b>	<b>(15,756)</b>	<b>13,615</b>	<b>5,964</b>
Cash and cash equivalents at beginning of period	12,654	40,945	27,655	35,363
Effects of exchange rate changes on cash and cash equivalents	(74)	1,719	(325)	(382)
<b>Cash and cash equivalents at end of period</b>	<b>26,908</b>	<b>26,908</b>	<b>40,945</b>	<b>40,945</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<b>Changes in shareholders' equity of the Group for the year ended 31 December 2020</b>	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>
Total equity at 1 January 2020	270,837	(4,203)	2	54,262	320,898
Total comprehensive income for the half year ended 30 June 2020	-	-	-	(8,689)	(8,689)
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(10,584)	-	-	(10,584)
Dividends	-	-	-	(8,071)	(8,071)
Total equity at 30 June 2020	270,837	(14,787)	2	37,502	293,554
Total comprehensive income for the half year ended 31 December 2020	-	-	-	23,008	23,008
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(7,040)	-	-	(7,040)
Transfer of treasury shares <sup>1</sup>	-	8,849	66	-	8,915
Dividends	-	-	-	(6,563)	(6,563)
Total equity at 31 December 2020	270,837	(12,978)	68	53,947	311,874

<b>Changes in shareholders' equity of the Group for the year ended 31 December 2019</b>	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>
Total equity at 1 January 2019	270,837	-	-	51,376	322,213
Total comprehensive income for the half year ended 30 June 2019	-	-	-	15,693	15,693
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(7,960)	-	-	(7,960)
Transfer of treasury shares <sup>1</sup>	-	4,505	10	-	4,515
Dividends	-	-	-	(8,429)	(8,429)
Total equity at 30 June 2019	270,837	(3,455)	10	58,640	326,032
Total comprehensive income for the half year ended 31 December 2019	-	-	-	4,054	4,054
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(5,635)	-	-	(5,635)
Transfer of treasury shares <sup>1</sup>	-	4,887	(8)	-	4,879
Dividends	-	-	-	(8,432)	(8,432)
Total equity at 31 December 2019	270,837	(4,203)	2	54,262	320,898

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

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

<b>Changes in shareholders' equity of the Company for the year ended 31 December 2020</b>	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>
Total equity at 1 January 2020	270,837	(4,203)	2	54,262	320,898
Total comprehensive income for the half year ended 30 June 2020	-	-	-	(8,689)	(8,689)
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(10,584)	-	-	(10,584)
Dividends	-	-	-	(8,071)	(8,071)
Total equity at 30 June 2020	270,837	(14,787)	2	37,502	293,554
Total comprehensive income for the half year ended 31 December 2020	-	-	-	23,008	23,008
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(7,040)	-	-	(7,040)
Transfer of treasury shares <sup>1</sup>	-	8,849	66	-	8,915
Dividends	-	-	-	(6,563)	(6,563)
Total equity at 31 December 2020	270,837	(12,978)	68	53,947	311,874

<b>Changes in shareholders' equity of the Company for the year ended 31 December 2019</b>	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>
Total equity at 1 January 2019	270,837	-	-	51,376	322,213
Total comprehensive income for the half year ended 30 June 2019	-	-	-	15,693	15,693
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(7,960)	-	-	(7,960)
Transfer of treasury shares <sup>1</sup>	-	4,505	10	-	4,515
Dividends	-	-	-	(8,429)	(8,429)
Total equity at 30 June 2019	270,837	(3,455)	10	58,640	326,032
Total comprehensive income for the half year ended 31 December 2019	-	-	-	4,054	4,054
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(5,635)	-	-	(5,635)
Transfer of treasury shares <sup>1</sup>	-	4,887	(8)	-	4,879
Dividends	-	-	-	(8,432)	(8,432)
Total equity at 31 December 2019	270,837	(4,203)	2	54,262	320,898

<sup>1</sup> 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.

## 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 2020, the Directors have recommended the payment of a final dividend of 0.40 Singapore cents per share. The final dividend will be subject to shareholders' approval at the forthcoming Annual General Meeting. The dividend will be paid on or about 10 June 2021.

The Company paid an interim dividend of 0.40 Singapore cents per share for the financial year ending 31 December 2020 amounting to S\$6.56 million on 7 October 2020.

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

Ordinary Shares	Group 2020	Group 2019
<u>Interim Dividend</u>		
Dividend per Share (cents)	0.40	0.50
Dividend amount (S\$'000)	6,563	8,432
<u>Final Dividend</u>		
Dividend per Share (cents)	0.40	0.50
Dividend amount (S\$'000)	6,516 *	8,071
<b>Total Dividend (S\$'000)</b>	<b>13,079</b>	<b>16,503</b>

\* FY20 final dividend is calculated based on the number of outstanding shares as at 31 December 2020.

For the financial year ended 31 December 2020, 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 2021.

Dividends paid in 2019 and 2020 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:

	Half year ended 31 Dec 20 '000	Full year ended 31 Dec 20 '000	Half year ended 31 Dec 19 '000	Full year ended 31 Dec 19 '000
<b>Number of shares</b>				
<b>Issued ordinary shares</b>				
Balance at beginning and end of period	1,723,842	1,723,842	1,723,842	1,723,842
<b>Treasury shares</b>				
Balance at beginning of period	(110,366)	(30,313)	(26,007)	-
Purchase of treasury shares	(51,044)	(131,097)	(40,720)	(101,458)
Transfer of treasury shares	66,496	66,496 <sup>1</sup>	36,414	71,145 <sup>2</sup>
Balance at end of period	(94,914)	(94,914)	(30,313)	(30,313)
<b>Issued ordinary shares net of treasury shares</b>	<b>1,628,928</b>	<b>1,628,928</b>	<b>1,693,529</b>	<b>1,693,529</b>

<sup>1</sup> On 5 August 2020, 35,525,430 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme. On 7 October 2020, 30,970,355 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme.

<sup>2</sup> On 21 June 2019, 34,731,270 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme. 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 2020 and 31 December 2019.

Under the Share Buy Back Mandate, the Company purchased a total of 131,096,600 ordinary shares during the financial year ended 31 December 2020. These are held as treasury shares. The amount paid, including brokerage fee, totalled S\$17.6 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 2020, the outstanding number of treasury shares represented 5.83% (31 December 2019: 1.79%) of the total number of issued shares (excluding treasury shares).

## NET ASSET VALUE

	Group and Company As at 31 Dec 20	Group and Company As at 31 Dec 19
Total net asset value (S\$'000)	311,874	320,898
Total number of ordinary shares in issue used in calculation of net asset value per share ('000)	1,628,928	1,693,529
Net asset value per ordinary share (S\$ per share)	0.1915	0.1895

Net asset value per ordinary share is derived by dividing the net assets as disclosed in the statement of financial position of the Company and the Group by the number of ordinary shares in issue as at the end of the accounting period.



The net asset value per share of the Group as at 31 December 2020 was 19.15 Singapore cents after the payment of 2019 final dividend and 2020 interim dividend, 0.50 and 0.40 Singapore cents per share respectively. If the 2019 final dividend was paid and the treasury shares relating to the Scrip Dividend Scheme had been utilised before 31 December 2019, the net asset value per share as at 31 December 2019 would have been 18.37 Singapore cents instead of 18.95 Singapore cents per share. After adjusting for the 2020 interim dividend, the net asset value per share as at 31 December 2020 would have been 19.67 Singapore cents and the increase in net asset value per share would be 7.1%.

## EARNINGS PER SHARE

	Group		Group	
	Half year ended 31 Dec 20	Full year ended 31 Dec 20	Half year ended 31 Dec 19	Full year ended 31 Dec 19
<b>Basic earnings per share</b>				
Earnings used in calculation of basic earnings per share (S\$'000)	23,008	14,319	4,054	19,747
Weighted average number of shares in issue used in calculation of basic earnings per share ('000)	1,635,127	1,647,158	1,691,160	1,695,474
Basic earnings per share (cents per share)	1.41	0.87	0.24	1.16
<b>Diluted earnings per share</b>				
Earnings used in calculation of diluted earnings per share (S\$'000)	23,008	14,319	4,054	19,747
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,635,127	1,647,158	1,691,160	1,695,474
Diluted earnings per share (cents per share) <sup>1</sup>	1.41	0.87	0.24	1.16

<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.

## 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 2020.

	Loan Portfolio and Securitisation Assets				China Domestic Bonds	Other Bonds					Bank Contingent Convertibles					Listed Equities				Others <sup>1</sup> (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	
2020																							
<b>For the year ended 31 December 2020</b>																							
Total segment income	212	20	(375)	164	2,571	340	632	(987)	-	507	13,316	60	162	538	984	(9)	(982)	(306)	-	1,919	18,766		
Segment profit/(loss) before tax	212	20	(375)	164	2,571	340	632	(987)	-	507	13,316	60	162	538	984	(9)	(982)	(306)	-	(2,408)	14,439		
<b>Included segment items</b>																							
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36	1,563	-	-	-	1,599		
Interest income	99	157	327	159	1,325	72	341	1,098	-	816	8,968	70	105	233	958	-	-	-	-	196	14,924		
Net gain/(loss) on financial assets at fair value through profit or loss	113	(134)	(710)	4	1,235	267	290	(2,078)	-	(319)	4,465	(10)	57	298	78	(46)	(2,538)	(306)	-	-	666		
Net foreign exchange gain/(loss)	-	(3)	8	1	11	1	1	(7)	-	10	(117)	-	-	7	(52)	1	(7)	-	-	1,723	1,577		
<b>As at 31 December 2020</b>																							
Total segment assets	1,604	2,526	3,461	2,225	30,971	385	125	10,109	-	11,866	164,693	1,774	1,517	5,212	9,736	1,588	38,356	149	-	27,154	313,451		
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,577)	(1,577)	

<sup>1</sup> Relates to corporate function and the assets comprise mainly uninvested cash and cash equivalents.

	Loan Portfolio and Securitisation Assets				China Domestic Bonds	Other Bonds					Bank Contingent Convertibles					Listed Equities				Others <sup>1</sup> (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																						
<b>For the year ended 31 December 2019</b>																						
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	
<b>Included segment items</b>																						
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 gain/(loss)	13	-	(3)	-	(27)	(1)	(1)	(9)	(2)	(2)	(6)	-	(2)	-	1	-	(5)	-	(2)	(380)	(426)	
<b>As at 31 December 2019</b>																						
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)	

<sup>1</sup> Relates to corporate function and the assets comprise mainly uninvested cash and cash equivalents.

## BREAKDOWN OF INCOME AND OPERATING PROFIT AFTER TAX

	Group 2020 S\$'000	Group 2019 S\$'000
Financial period from 1 January to 30 June (unaudited)		
Total income for the financial period from 1 January to 30 June	(6,570)	19,200
Operating profit after tax for the financial period from 1 January to 30 June	(8,689)	15,693
Financial period from 1 July to 31 December (unaudited)		
Total income for the financial period from 1 July to 31 December	25,336	6,756
Operating profit after tax for the financial period from 1 July to 31 December	23,008	4,054
Financial year from 1 January to 31 December (unaudited)		
Total income for the financial period from 1 January to 31 December	18,766	25,956
Operating profit after tax for the financial period from 1 January to 31 December	14,319	19,747

## AUDIT OR REVIEW

The figures in this report have not been audited or reviewed.

## INTERESTED PERSON TRANSACTION

The Company has not obtained a general mandate from shareholders for interested person transactions.

## CONFIRMATION OF THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of Global Investments Limited, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to their attention which may render the financial statements for the half and full year ended 31 December 2020 to be false or misleading in any material respect.

## CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Company confirms that it has procured the undertakings from all its Directors in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

## 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  
23 February 2021

Ronald Seah Lim Siang  
Director  
23 February 2021