



GLOBAL INVESTMENTS LIMITED

Condensed Interim Financial Statements For The Half Year And Full Year Ended 31 December 2022

Investments in Global Investments Limited (GIL) are not deposits with or other liabilities of Singapore Consortium Investment Management Limited (SICIM), or any of SICIM's related corporations and are subject to investment risk, including possible loss of income and capital invested. Neither SICIM (manager of GIL), nor SICIM's related corporations guarantee the performance of GIL or the payment of a particular rate of return on the shares of GIL.

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

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 Singapore Financial Reporting Standards (International). 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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CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group and Company			
		Half year ended 31 December 2022 S\$'000	Half year ended 31 December 2021 S\$'000	Full year ended 31 December 2022 S\$'000	Full year ended 31 December 2021 S\$'000
Income					
Dividend income		1,082	830	2,359	1,736
Interest income		5,487	6,374	11,114	12,708
Net foreign exchange gain		-	580	-	1,017
Net (loss)/gain on financial assets at fair value through profit or loss	13	(10,399)	(6,873)	(40,665)	6,544
Total (loss)/income		(3,830)	911	(27,192)	22,005
Expenses					
Management fees	8	(1,157)	(1,348)	(2,471)	(2,627)
Incentive fees	8	-	-	-	(2,335)
Net foreign exchange loss		(2,446)	-	(3,332)	-
Other operating expenses		(1,017)	(1,050)	(1,911)	(2,021)
Total expenses		(4,620)	(2,398)	(7,714)	(6,983)
(Loss)/Profit before tax		(8,450)	(1,487)	(34,906)	15,022
Income tax expense	9	(78)	(60)	(192)	(130)
(Loss)/Profit after tax		(8,528)	(1,547)	(35,098)	14,892
Total comprehensive (loss)/income for the period attributable to shareholders		(8,528)	(1,547)	(35,098)	14,892
Basic earnings per share (cents per share)	12	(0.54)	(0.10)	(2.23)	0.93
Diluted earnings per share (cents per share)	12	(0.54)	(0.10)	(2.23)	0.93

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	Company As at 31 Dec 22 S\$'000	Group and Company As at 31 Dec 21 S\$'000
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	13	162,254	212,051
Right-of-use asset		115	184
		<u>162,369</u>	<u>212,235</u>
Current assets			
Cash and cash equivalents		51,065	41,921
Financial assets at fair value through profit or loss	13	46,349	53,804
Other assets		2,521	2,993
		<u>99,935</u>	<u>98,718</u>
Total Assets		<u>262,304</u>	<u>310,953</u>
LIABILITIES			
Current liabilities			
Lease liabilities		72	64
Other liabilities		1,108	1,377
		<u>1,180</u>	<u>1,441</u>
Non-current liabilities			
Lease liabilities		51	124
		<u>51</u>	<u>124</u>
Total Liabilities		<u>1,231</u>	<u>1,565</u>
Net assets attributable to shareholders		<u>261,073</u>	<u>309,388</u>
EQUITY			
Share capital	15	270,837	270,837
Treasury shares	15	(25,477)	(18,228)
Capital reserve		1,054	742
Retained earnings		14,659	56,037
Total Equity		<u>261,073</u>	<u>309,388</u>
Net asset value per share (S\$ per share)		<u>0.1682</u>	<u>0.1933</u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE GROUP¹

Changes in shareholders' equity of the Group and Company for the year ended 31 December 2022	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Total equity at 1 January 2022	270,837	(18,228)	742	56,037	309,388
Total comprehensive income for the full year ended 31 December 2022	-	-	-	(35,098)	(35,098)
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(11,050)	-	-	(11,050)
Transfer of treasury shares ²	-	3,801	312	-	4,113
Dividends	-	-	-	(6,280)	(6,280)
Total equity at 31 December 2022	270,837	(25,477)	1,054	14,659	261,073

Changes in shareholders' equity of the Group and Company for the year ended 31 December 2021	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Total equity at 1 January 2021	270,837	(12,978)	68	53,947	311,874
Total comprehensive income for the full year ended 31 December 2021	-	-	-	14,892	14,892
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(12,980)	-	-	(12,980)
Transfer of treasury shares ²	-	7,730	674	-	8,404
Dividends	-	-	-	(12,802)	(12,802)
Total equity at 31 December 2021	270,837	(18,228)	742	56,037	309,388

¹ The Group has struck off its wholly-owned dormant subsidiaries on 30 December 2022, and the balance at 31 December 2022 represents the Company's balance.

² 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.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS¹

	Group and Company	
	Full year ended 31 Dec 22 S\$'000	Full year ended 31 Dec 21 S\$'000
Cash flows from operating activities		
Operating costs paid	(4,824)	(7,561)
Interest income received	11,526	13,360
Dividend income received	2,304	1,771
Income tax paid	(195)	(133)
Net cash inflow from operating activities	8,811	7,437
Cash flows from investing activities		
Purchase of financial assets	(7,889)	(32,408)
Redemption/maturity of financial assets	24,182	48,053
Net proceeds from disposal of financial assets	609	8,238
Net cash generated from investing activities	16,902	23,883
Cash flows used in financing activities		
Dividends paid	(2,167)	(4,398)
Purchase of treasury shares	(11,105)	(13,067)
Net cash outflow used in financing activities	(13,272)	(17,465)
Net increase in cash and cash equivalents	12,441	13,855
Cash and cash equivalents at beginning of year	41,921	26,908
Effects of exchange rate changes on cash and cash equivalents	(3,297)	1,158
Cash and cash equivalents at end of year	51,065	41,921

¹ The Group has struck off its wholly-owned dormant subsidiaries on 30 December 2022, and the balance at 31 December 2022 represents the Company's balance.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate Information

Global Investments Limited (GIL or the Company) was incorporated in Bermuda on 24 April 2006 as a mutual fund company limited by shares.

The Company is publicly traded on the main board of the Singapore Exchange Securities Trading Limited (the SGX-ST) on 20 December 2006. On 7 January 2019, the Company transferred its domicile from Bermuda to Singapore and it is now registered in Singapore. The address of its registered office is 250 Tanjong Pagar Road #09-01 St Andrew's Centre Singapore 088541.

These condensed interim consolidated financial statements as at and for the half year and full year ended 31 December 2022 comprise the Company and its subsidiaries (together, the Group).

The principal activities of the Group consist of investing in a portfolio of assets in different sectors.

2 Basis of Preparation

The condensed interim financial statements for the half year and full year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency and rounded to the nearest thousand.

The figures in the statement of financial position, consolidated statement of comprehensive income, statement of changes in shareholders' equity and consolidated statement of cash flows and explanatory notes have not been audited or reviewed.

3 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

4 Use of judgements and estimates

In preparing the condensed interim financial statements, the Group makes judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future period.

The significant judgements made in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market is usually determined by the Group using broker or dealer quotes, which may be indicative and not executable or binding, or valuation techniques based on inputs which are not quoted in active markets. These financial assets were categorised within Level 3 in the fair value hierarchy.

4 Use of judgements and estimates (Cont'd)

The Group exercises judgement in its assessment of the appropriateness of the quotes obtained, which may consider factors such as the performance of the underlying loan portfolio based on reports obtained from third party managers, assessment of expected future cash flows, recent transactions in the same or similar instrument and the volatility of and spread between broker quotes obtained. When the valuation techniques are used, the Group relies on information such as collateral performance and cash flows of underlying portfolio and applied judgement at best estimates when determining fair value.

5 Seasonal operations

The Group seeks to create a portfolio with diversity across asset class, geography, industry, currency and duration. As a result, the Group was not materially affected by seasonal or cyclical factors during the financial period.

6 Segment and revenue information

The Group's investments are organised into the following main asset classes:

- Bonds and collateralised loan obligations
- Bank contingent convertibles
- Listed equities
- Cash and cash equivalents

	Bonds and Collateralised Loan Obligations				Bank Contingent Convertibles				Listed Equities			Cash and cash equivalents	Total
	Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	S\$'000	S\$'000
For the half year ended 31 December 2022													
Total segment income/(loss)	(8)	441	(87)	342	(2,332)	-	13	36	(59)	(2,872)	61	(1,811)	(6,276)
Segment profit/(loss) before tax	(8)	441	(87)	342	(2,332)	-	13	36	(59)	(2,872)	61	(1,811)	(6,276)
Included segment items													
Dividend income	-	-	-	-	-	-	-	-	23	1,052	7	-	1,082
Interest income	-	-	421	340	3,791	-	53	304	-	-	-	578	5,487
Net gain/(loss) on financial assets at fair value through profit or loss	(10)	441	(501)	3	(6,085)	-	(40)	(259)	(81)	(3,921)	54	-	(10,399)
Net foreign exchange gain/(loss)	2	-	(7)	(1)	(38)	-	-	(9)	(1)	(3)	-	(2,389)	(2,446)
For the half year ended 31 December 2021													
Total segment income/(loss)	59	(423)	1,754	(103)	1,197	-	(29)	21	(15)	(2,656)	61	1,045	911
Segment profit/(loss) before tax	59	(423)	1,754	(103)	1,197	-	(29)	21	(15)	(2,656)	61	1,045	911
Included segment items													
Dividend income	-	-	-	-	-	-	-	-	24	803	3	-	830
Interest income	(1)	190	343	440	4,352	-	51	552	-	-	-	447	6,374
Net gain/(loss) on financial assets at fair value through profit or loss	60	(615)	1,410	(543)	(3,153)	-	(80)	(506)	(39)	(3,466)	59	-	(6,873)
Net foreign exchange gain/(loss)	-	2	1	-	(2)	-	-	(25)	-	7	(1)	598	580

CONDENSED INTERIM FINANCIAL STATEMENTS
For The Half Year And Full Year Ended 31 December 2022

6 Segment and revenue information (Cont'd)

	Bonds and Collateralised Loan Obligations				Bank Contingent Convertibles				Listed Equities			Cash and cash equivalents	Total
	Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	S\$'000	S\$'000
2022													
For the full year ended 31 December 2022													
Total segment income/(loss)	(1)	899	(1,789)	(3,407)	(13,040)	-	(85)	(6,302)	(343)	(4,246)	26	(2,236)	(30,524)
Segment profit/(loss) before tax	(1)	899	(1,789)	(3,407)	(13,040)	-	(85)	(6,302)	(343)	(4,246)	26	(2,236)	(30,524)
Included segment items													
Dividend income	-	-	-	-	-	-	-	-	47	2,298	14	-	2,359
Interest income	-	67	768	678	7,757	-	105	678	-	-	-	1,061	11,114
Net gain/(loss) on financial assets at fair value through profit or loss	(3)	836	(2,553)	(4,086)	(20,776)	-	(190)	(6,972)	(389)	(6,544)	12	-	(40,665)
Net foreign exchange gain/(loss)	2	(4)	(4)	1	(21)	-	-	(8)	(1)	-	-	(3,297)	(3,332)
As at 31 December 2022													
Total segment assets	278	13,023	12,168	12,838	115,819	-	1,272	9,119	1,370	44,376	603	51,065	261,931
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-

CONDENSED INTERIM FINANCIAL STATEMENTS
For The Half Year And Full Year Ended 31 December 2022

6 Segment and revenue information (Cont'd)

	Bonds and Collateralised Loan Obligations				Bank Contingent Convertibles				Listed Equities			Cash and cash equivalents	Total
	Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	S\$'000	S\$'000
For the full year ended 31 December 2021													
Total segment income	78	538	3,494	71	8,083	47	47	904	235	6,497	342	1,669	22,005
Segment profit before tax	78	538	3,494	71	8,083	47	47	904	235	6,497	342	1,669	22,005
Included segment items													
Dividend income	-	-	-	-	-	-	-	-	45	1,688	3	-	1,736
Interest income	38	603	457	891	8,829	26	102	1,080	-	-	-	682	12,708
Net gain/(loss) on financial assets at fair value through profit or loss	40	(69)	3,029	(826)	(770)	21	(55)	(154)	190	4,798	340	-	6,544
Net foreign exchange gain/(loss)	-	4	8	6	24	-	-	(22)	-	11	(1)	987	1,017
As at 31 December 2021													
Total segment assets	401	17,080	14,692	11,611	154,124	-	1,462	17,518	1,775	49,318	590	41,921	310,492
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-

6 Segment and revenue information (Cont'd)

Reconciliations of reportable segment profit or loss, assets and liabilities

	Group			
	Half year ended 31 December 2022 S\$'000	Half year ended 31 December 2021 S\$'000	Full year ended 31 December 2022 S\$'000	Full year ended 31 December 2021 S\$'000
Segment profits				
Reported profit for reportable segments	(6,276)	911	(30,524)	22,005
Management fees	(1,157)	(1,348)	(2,472)	(2,627)
Incentive fees	-	-	-	(2,335)
Other operating expenses	(1,017)	(1,050)	(1,911)	(2,021)
(Loss)/profit before income tax	(8,450)	(1,487)	(34,906)	15,022
Segment assets				
Reported assets for reportable segments			261,931	310,492
Other assets (excluding interest and dividend receivables)			373	461
Total assets			262,304	310,953
Segment liabilities				
Reported liabilities for reportable segments			-	-
Management fee payable			(741)	(834)
Lease liabilities			(123)	(188)
Other payables			(367)	(543)
Total liabilities			(1,231)	(1,565)

7 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021:

	Note	Company 31 December 2022 S\$'000	Group and Company 31 December 2021 S\$'000
Financial assets			
Non-current assets			
Financial assets at fair value through profit or loss	13	162,254	212,051
		<u>162,254</u>	<u>212,051</u>
Current assets			
Financial assets at fair value through profit or loss	13	46,349	53,804
Cash and cash equivalents		51,065	41,921
Other assets		2,428	2,978
		<u>99,842</u>	<u>98,703</u>
Total financial assets		262,096	310,754
Financial liabilities			
Current liabilities			
Lease liabilities		72	64
Other liabilities		1,108	1,377
		<u>1,180</u>	<u>1,441</u>
Non-current liabilities			
Lease liabilities		51	124
		<u>51</u>	<u>124</u>
Total financial liabilities		1,231	1,565

8 Related party transactions

The following transactions were carried out with SICIM (The Manager):

	Half year ended 31 December 2022 S\$'000	Half year ended 31 December 2021 S\$'000	Full year ended 31 December 2022 S\$'000	Full year ended 31 December 2021 S\$'000
Base management fees	1,157	1,348	2,471	2,627
Incentive fees	-	-	-	2,335
Fixed management fees	327	327	650	650
Other fees and reimbursement of expenses	198	209	397	402
Divestment fees	-	165	247	545
Total	1,682	2,049	3,765	6,559

9 Taxation

The Company is a tax resident in Singapore and has been approved by the Monetary Authority of Singapore for the Enhanced-Tier-Fund Tax Incentive Scheme under Section 13U of the Singapore Income Tax Act. The tax exemption status will allow the Company to enjoy tax exemption on specified income in respect of any designated investment.

	Half year ended 31 December 2022 S\$'000	Half year ended 31 December 2021 S\$'000	Full year ended 31 December 2022 S\$'000	Full year ended 31 December 2021 S\$'000
Withholding tax	78	60	192	130
Total	78	60	192	130

Income tax expense arose mainly from withholding tax relating to dividend income from listed equities.

10 Dividends

For the financial year ended 31 December 2022, the Directors have declared the payment of an interim dividend of 0.40 Singapore cents per share. This dividend will be paid on and about 18 April 2023.

For the financial year ended 31 December 2022, the Directors have recommended the payment of a final dividend of 0.40 Singapore cents per share. The final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting. This dividend will be paid on and about 23 June 2023.

For the financial year ended 31 December 2022, 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 2023.

Dividends paid in 2022 and 2021 are exempt from tax (one-tier) when received in the hands of Shareholders.

	Group	
	2022	2021
<u>Interim dividend</u>		
Dividend per Share (cents)	0.40	0.40
Dividend amount (S\$'000) ¹	6,209 ¹	6,419
<u>Final dividend</u>		
Dividend per Share (cents)	0.40	0.40
Dividend amount (S\$'000) ¹	6,209 ¹	6,279
	<u>12,418</u>	<u>12,698</u>

¹ FY22 interim and final dividend is calculated based on the number of outstanding shares as at 31 December 2022.

CONDENSED INTERIM FINANCIAL STATEMENTS
For The Half Year And Full Year Ended 31 December 2022

11 Net Asset Value

	Company 31 December 2022	Group and Company 31 December 2021
Net asset value per ordinary shares (S\$'000)	261,073	309,388
Total of ordinary shares in issue used in calculation of net assets value per share ('000)	1,552,318	1,600,291
Net asset value per ordinary share (S\$ per share)	0.1682	0.1933

12 Earnings per share

	Half year ended 31 December 2022 S\$'000	Group Half year ended 31 December 2021 S\$'000	Full year ended 31 December 2022 S\$'000	Full year ended 31 December 2021 S\$'000
<u>Basic earnings per share</u>				
Earnings used in calculation of basic earnings per share (S\$'000)	(8,528)	(1,547)	(35,098)	14,892
Weighted average number of ordinary shares in issue used in calculation of basic earnings per share ('000)	1,568,384	1,605,613	1,574,323	1,606,659
Basic earnings per share (cents per share)	(0.54)	(0.10)	(2.23)	0.93
<u>Diluted earnings per share</u>				
Earnings used in calculation of diluted earnings per share (S\$'000)	(8,528)	(1,547)	(35,098)	14,892
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,568,384	1,605,613	1,574,323	1,606,659
Diluted earnings per share (cents per share)	(0.54)	(0.10)	(2.23)	0.93

13 Financial assets at fair value through profit or loss

Set out below is an overview of the financial assets of the Group as at 31 December 2022 and 31 December 2021:

	Company 31 December 2022 S\$'000	Group and Company 31 December 2021 S\$'000
Non-current		
Bonds and collateralised loan obligations	37,801	41,087
Bank contingent convertibles	124,453	170,964
	162,254	212,051
Current		
Bonds and collateralised loan obligations	-	2,137
Listed equities	46,349	51,667
	46,349	53,804
Total financial assets at fair value through profit or loss	208,603	265,855

13 Financial assets at fair value through profit or loss (Cont'd)

Net gain/(loss) on financial assets at fair value through profit or loss breakdown:

	Group			
	Half year ended 31 December 2022 S\$'000	Half year ended 31 December 2021 S\$'000	Full year ended 31 December 2022 S\$'000	Full year ended 31 December 2021 S\$'000
Realised	-	781	(156)	1,334
Unrealised	(10,399)	(7,654)	(40,509)	5,210
Total (loss)/gain	(10,399)	(6,873)	(40,665)	6,544

14 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presented the assets measured at fair value:

Company As at 31 December 2022	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Financial assets at fair value through profit or loss				
- Bonds and collateralised loan obligations	33,516	801	3,484	37,801
- Bank contingent convertibles	123,533	920	-	124,453
- Listed equities	46,349	-	-	46,349
	203,398	1,721	3,484	208,603

Group and Company As at 31 December 2021	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Financial assets at fair value through profit or loss				
- Bonds and collateralised loan obligations	36,001	333	6,890	43,224
- Bank contingent convertibles	170,964	-	-	170,964
- Listed equities	51,667	-	-	51,667
	258,632	333	6,890	265,855

During the financial year ended 31 December 2022, there was a transfer of financial assets from Level 1 to Level 2 of carrying value S\$1.7 million, and a transfer of financial assets from Level 2 to Level 3 of carrying value S\$0.2 million. There was no transfer of financial assets between levels during the financial year ended 31 December 2021.

The fair value of financial instruments quoted in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1 and comprise listed equity securities, bonds and bank contingent convertibles.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on estimates. If all significant inputs required to fair value the financial assets are observable, the financial assets are included in Level 2.

14 Fair value measurement (Cont'd)

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include the following investments:

(i) Listed Equity

As at 31 December 2022, there are 2 listed equities which were suspended with no observable price and a nil carrying value (31 December 2021: 2).

(ii) Bonds and Collateralised Loan Obligations

As there is currently no active market and observable prices are not available for these investments, the Group has used broker or dealer quotes, which may be indicative and not executable or binding, to estimate their fair value.

Level 3 valuations are reported on a quarterly basis to the Board. The Board considers a number of factors when assessing the appropriateness of the valuation basis and the valuation result, which may include: the performance of the underlying loan portfolio or underlying assets if available, assessment of expected future cash flows, recent transactions in the same or similar instrument and the volatility of and spread between broker quotes obtained.

As a result of the assessment above, these investments were valued at the lower of broker quotes or internal valuations calculated at S\$3.5 million (31 December 2021: S\$6.9 million).

The following table presents the changes in Level 3 instruments for the full year ended 31 December 2022 and 31 December 2021.

Group	Level 3 S\$'000
At 1 January 2022	6,890
Reclassification into Level 3	333
Disposal/redemption	(3,283)
Net loss on financial assets at fair value through profit or loss	(456)
At 31 December 2022	<u>3,484</u>
Total loss for the period included in profit or loss for assets held at the end of the year	<u>(575)</u>
At 1 January 2021	9,725
Reclassification into Level 3	-
Disposal/redemption	(3,297)
Net gain on financial assets at fair value through profit or loss	462
At 31 December 2021	<u>6,890</u>
Total gain for the period included in profit or loss for assets held at the end of the year	<u>464</u>

In estimating significance, the Group performed sensitivity analysis based on methodologies applied for fair value adjustment. These adjustments reflect the values which the Group estimates to be appropriate to reflect uncertainties in the inputs used (e.g. based on stress testing methodologies on the unobservable input). The methodologies used can be statistical or based on other relevant approved techniques.

As at 31 December 2022, S\$3.5 million (31 December 2021: S\$6.9 million) of these investments were valued based on broker quotes or last available bid price. Assuming a 5% increase (decrease) in such quotes or prices for these investments, the fair value will increase (decrease) by S\$0.2 million (31 December 2021: S\$0.3 million).

15 Share Capital

	Company 31 December 2022		Company 31 December 2021	
	Number of shares '000	Amount S\$'000	Number of shares '000	Amount S\$'000
Issued ordinary shares				
At beginning and end of financial year	1,723,842	270,837	1,723,842	270,837
Treasury shares				
At beginning of financial year	(123,551)	(18,228)	(94,914)	(12,978)
Purchase of treasury shares	(75,572)	(11,050)	(85,611)	(12,980)
Transfer of treasury shares	27,599 ¹	3,801	56,974 ²	7,730
At end of financial year	(171,524)	(25,477)	(123,551)	(18,228)
Issued ordinary shares net treasury shares	1,552,318	245,360	1,600,291	252,609

¹ On 22 June 2022, 27,599,302 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme.

² On 10 June 2021, 28,280,673 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme. On 7 October 2021, 28,693,591 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021. The Company has struck off its remaining wholly-owned dormant subsidiaries BBSFF Rail Fund No. 1 Limited and BBSFF Operating Lease Limited on 30 December 2022. It is not expected to have any material impact on the Group's earnings per share and net tangible assets per share for the financial year ended 31 December 2022.

As at 31 December 2022, the outstanding number of treasury shares represented 11.1% (31 December 2021: 7.7%) of the total number of issued shares (excluding treasury shares).

16 Breakdown of income and operating profit after tax

	Group 2022 S\$'000	Group 2021 S\$'000
Financial period from 1 January to 30 June (unaudited)		
Total income for the financial period from 1 January to 30 June	(23,362)	21,094
Operating profit after tax for the financial period from 1 January to 30 June	(26,570)	16,439
Financial period from 1 July to 31 December (unaudited)		
Total income for the financial period from 1 July to 31 December	(3,830)	911
Operating profit after tax for the financial period from 1 July to 31 December	(8,527)	(1,547)
Financial year from 1 January to 31 December (unaudited)		
Total income for the financial period from 1 January to 31 December	(27,192)	22,005
Operating profit after tax for the financial period from 1 January to 31 December	(35,098)	14,892

17 Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The statement of financial position of Global Investments Limited as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in shareholders' equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes have not been audited or reviewed.

2. Review of the performance of the Group

Financial performance for half year ended 31 December 2022

For the six months ended 31 December 2022, the Group reported a net loss after tax of S\$8.5 million as compared to a net loss after tax of S\$1.5 million recorded for the six months ended 31 December 2021.

Income

The Group reported a loss of S\$3.8 million as compared to an income of S\$0.9 million recorded in the same period last year. The main difference was a higher fair value loss on financial assets at fair value through profit or loss (FVTPL) of S\$10.4 million as compared to a S\$6.9 million fair value loss in the comparative period. The Group also reported a lower interest income of S\$5.5 million as compared to S\$6.4 million in the comparative period due to the increase in the redemption/maturity of investments during the half year.

Expenses

Expenses for the six months ended 31 December 2022 was higher at S\$4.6 million as compared to S\$2.4 million in the comparative period. The increase was due to a net foreign exchange loss of S\$2.4 million.

Financial performance for full year ended 31 December 2022

For the year ended 31 December 2022, the Group reported a net loss after tax of S\$35.1 million as compared to a net profit after tax of S\$14.9 million recorded for the year ended 31 December 2021.

Income

The Group reported a loss of S\$27.2 million as compared to an income of S\$22.0 million recorded last year. The loss was due to fair value loss of financial assets at FVTPL of S\$40.7 million versus a fair value gain of S\$6.5 million last year. The Group also reported a lower interest income of S\$11.1 million as compared to S\$12.7 million last year due to the increase in the redemption/maturity of investments during the year.

Expenses

Expenses for the year ended 31 December 2022 was S\$7.7 million, slightly higher than S\$7.0 million recorded last year. This was mainly due to the net foreign exchange loss of S\$3.3 million partially offset by the absence of incentive fee in the current year.

Statement of financial position

Financial assets at fair value through profit or loss

The financial assets at FVTPL as at 31 December 2022 was S\$208.6 million and it was S\$57.3 million lower than the carrying value of the portfolio of investments of S\$265.9 million as at 31 December 2021. The decrease was mainly due to fair value loss through profit or loss and net redemption/maturity of investments.

Cash and cash equivalents

Cash and cash equivalents increased to S\$51.1 million as at 31 December 2022 from S\$41.9 million as at 31 December 2021. This was mainly due to the net redemption/maturity of investments, offset by the purchase of treasury shares and payment of FY2021 final dividend.

Net asset value per share

The net asset value per share of the Group as at 31 December 2022 was 16.82 Singapore cents after the payment of 2021 final dividend of 0.40 Singapore cents per share. If the 2021 final dividend was paid and the treasury shares relating to the Scrip Dividend Scheme had been utilised before 31 December 2021, the net asset value per share as at 31 December 2021 would have been 18.87 Singapore cents instead of 19.33 Singapore cents per share, and the decrease in net asset value per share would be 10.86%.

Return on equity

The Group recorded a return on equity (computed based on net profit/loss after tax over the average total equity) of -12.3% in 2022 as compared to 4.8% in 2021 due to loss after tax for the year.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable

A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next twelve months.

Bonds & Collateralised Loan Obligations

Inflation was a pressing theme as it remained elevated despite showing signs of slowing down since Q3 2022. Most central banks adopted various contractionary monetary policies such as interest rate hikes and Quantitative Tightening (QT) programmes to combat soaring inflation. As a result, energy and housing prices declined towards the end of the year, which allowed the Fed to make a modest rate hike of 50bps in December after four consecutive 75bps rate hikes. However, due to the resilient labour market, inflation remained at unacceptably high levels and hence a pivot in monetary policy is not to be expected moving into 1H 2023.

In 2H 2022, bond yields continued their upward trend, pushed higher by the Fed's hawkish policy stance. US 10-year Treasury yields rose by 90 bps to 3.88% while 2-year yields rose by 149 bps to 4.41%, inverting the US Treasury yield curve. The Singapore sovereign yield curve also inverted slightly, as 10-year yields rose by 11 bps to 3.09% while 2-year yields rose by 44 bps to 3.12%.

In 2022, the Bloomberg Barclays Global High Yield Total Return Index fell 12.7% in USD terms and 13.3% in SGD terms. Investment grade bonds underperformed high yield bonds in 2022 as the equivalent investment grade index fell 16.2%. Specifically, corporate investment grade bonds fell 16.7%.

Bank Contingent Convertibles (CoCos)

Bank contingent convertibles spreads narrowed by 49bps over the past 6 months, lowering the overall spread widening to 145bps in 2022. Contingent convertibles spreads had been generally widening through October 2022, before narrowing towards the end of the year. This was attributed to the hawkish stance from the Fed, with the lagged effect of aggressive rate hikes taking effect in Q4 2022. The widening of credit spreads is attributed to the increase in risk-free rates, reflecting the heightened inflationary pressures and this translates to higher refinancing needs, which could disrupt the sovereign debt dynamics. With the substantial increase in banks' bond funding costs, banks have reduced their issuance of bail-inable debt.

Along with the Fed, the European Central Bank (ECB) raised interest rates four times to 2.50% in 2022. ECB had also concluded net asset purchases under their Asset Purchase Programme (APP) as of 1 July 2022. In addition, ECB will commence the shrinking of its APP portfolio in March 2023 by not reinvesting €15 billion of the proceeds of maturing securities per month until the end of Q2 2023, thereby marking the transition to quantitative tightening. The Reserve Bank of Australia ("RBA") had raised the cash rate 8 times since May 2022 and signalled more interest rate hikes in 2023 to combat sticky inflation.

In 2022, the Bloomberg Barclays Global CoCo Banking Total Return Index fell 13.6% in USD terms and 14.2% in SGD terms.

Listed Equities

During the 2H 2022, the global economy continued to decline over concerns with inflationary pressures, rising interest rates and the ongoing Russia – Ukraine conflict. In China, the property developer sector remained weak with the continued pessimism among investors and consumers. The frequent lockdowns over the past few months had weakened domestic demand, constrained production and delayed the unclogging of supply chains.

In response, the Chinese government adopted a 16-point plan to rescue its ailing property sector and announced significant relaxation of Covid-19 measures in a bid to stimulate economic growth by boosting domestic consumption. On the back of China's priority to revive the struggling property sector and sudden reversal of the stringent zero-Covid policy, the near-term environment will be marked by heightened uncertainty with frequent bouts of volatility.

Looking at Singapore, a cooling tech cycle caused Singapore's electronics non-oil domestic exports (NODX) to fall sharply, with semiconductor shipments slumping 10% y-o-y. Although the reopening of its borders and booming domestic demand helped to boost growth, the persistent inflationary pressures threatened to diminish private consumption and hence stifling growth recovery. PMIs are also pointing to a challenging trade outlook in 2023 with new export orders falling. The effects of the 1% GST hike, effective from 1 January 2023, will provide crucial guidance to MAS monetary policy decision-making process in 2023.

In 2022, global equities, represented by the MSCI ACWI Index, fell 19.8%.

4. Dividend information

(a) Whether an interim / final dividend has been declared / recommended and amount per share

For the financial year ended 31 December 2022, the Directors have declared the payment of an interim dividend of 0.40 Singapore cents per share.

For the financial year ended 31 December 2022, the Directors have recommended the payment of a final dividend of 0.40 Singapore cents per share. The final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

(b) Previous corresponding period

	Group	
	2022	2021
<u>Interim dividend</u>		
Dividend per Share (cents)	0.40	0.40
Dividend amount (S\$'000) ¹	6,209 ¹	6,419
<u>Final dividend</u>		
Dividend per Share (cents)	0.40	0.40
Dividend amount (S\$'000) ¹	6,209 ¹	6,279
	12,418	12,698

¹ FY22 interim and final dividend is calculated based on the number of outstanding shares as at 31 December 2022.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived.

Dividends paid in 2022 are exempt from tax (one-tier) when received in the hands of shareholders.

(d) The date the dividend is payable

The interim dividend declared will be paid on or about 18 April 2023. The proposed final dividend of 0.40 Singapore cents per share, if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on or about 23 June 2023.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Interim dividend: 3 March 2023

Proposed final dividend: 9 May 2023 (tentative)

5. Interested person transactions

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

6. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has no employees or executive officers and has appointed the Manager to manage. 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.

7. Negative confirmation pursuant to Rule 705(5)

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 2022 to be false or misleading in any material respect.

8. Confirmation pursuant to Rule 704(13)

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
21 February 2023

Lay Charlie Nhuc Hiang
Chairman of Audit and Risk Management Committee
21 February 2023