



GLOBAL INVESTMENTS LIMITED

Condensed Interim Financial Statements For The Six Months Ended 30 June 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 6 months ended 30 Jun 22 S\$'000	Group 6 months ended 30 Jun 21 S\$'000
Income			
Dividend income		1,277	906
Interest income		5,627	6,334
Net foreign exchange gain		-	437
Net (loss)/gain on financial assets at fair value through profit or loss	7	(30,266)	13,417
Total income		(23,362)	21,094
Expenses			
Management fees	8	(1,314)	(1,279)
Incentive fees	8	-	(2,335)
Net foreign exchange loss		(886)	-
Other operating expenses		(894)	(971)
Total expenses		(3,094)	(4,585)
(Loss)/Profit before tax		(26,456)	16,509
Income tax expense	9	(114)	(70)
(Loss)/Profit after tax		(26,570)	16,439
Total comprehensive (loss)/ income for the period attributable to shareholders		(26,570)	16,439
Basic earnings per share (cents per share)	12	(1.68)	1.02
Diluted earnings per share (cents per share)	12	(1.68)	1.02

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	Group As at 30 Jun 22 S\$'000	Group As at 31 Dec 21 S\$'000	Company As at 30 Jun 22 S\$'000	Company As at 31 Dec 21 S\$'000
ASSETS					
Non-current assets					
Financial assets at fair value through profit or loss	7	162,957	212,051	162,957	212,051
Right-of-use asset		150	184	150	184
		163,107	212,235	163,107	212,235
Current assets					
Cash and cash equivalents		58,338	41,921	58,338	41,921
Financial assets at fair value through profit or loss	7	50,225	53,804	50,225	53,804
Other assets		3,211	2,993	3,211	2,993
		111,774	98,718	111,774	98,902
Total Assets		274,881	310,953	274,881	310,953
LIABILITIES					
Current liabilities					
Lease liabilities		64	64	64	64
Other liabilities		1,340	1,377	1,340	1,377
		1,404	1,441	1,404	1,441
Non-current liabilities					
Lease liabilities		92	124	92	124
		92	124	92	124
Total Liabilities		1,496	1,565	1,496	1,565
Net assets attributable to shareholders		273,385	309,388	273,385	309,388
EQUITY					
Share capital	14	270,837	270,837	270,837	270,837
Treasury shares	14	(21,693)	(18,228)	(21,693)	(18,228)
Capital reserve		1,054	742	1,054	742
Retained earnings		23,187	56,037	23,187	56,037
Total Equity		273,385	309,388	273,385	309,388
Net asset value per share (S\$ per share)		0.1729	0.1933	0.1729	0.1933

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity of the Group for the six months ended 30 June 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
Loss for the period	-	-	-	(26,570)	(26,570)
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(7,266)	-	-	(7,266)
Transfer of treasury shares ¹	-	3,801	312	-	4,113
Dividend for the period	-	-	-	(6,280)	(6,280)
Total equity at 30 June 2022	270,837	(21,693)	1,054	23,187	273,385

Changes in shareholders' equity of the Group for the six months ended 30 June 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
Profit for the period	-	-	-	16,439	16,439
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(6,731)	-	-	(6,731)
Transfer of treasury shares ¹	-	3,763	337	-	4,100
Dividend for the period	-	-	-	(6,383)	(6,383)
Total equity at 30 June 2021	270,837	(15,946)	405	64,003	319,299

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.

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

Changes in shareholders' equity of the Company for the six months ended 30 June 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
Loss for the period	-	-	-	(26,570)	(26,570)
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(7,266)	-	-	(7,266)
Transfer of treasury shares ¹	-	3,801	312	-	4,113
Dividend for the period	-	-	-	(6,280)	(6,280)
Total equity at 30 June 2022	270,837	(21,693)	1,054	23,187	273,385

Changes in shareholders' equity of the Company for the six months ended 30 June 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
Profit for the period	-	-	-	16,439	16,439
Transactions with equity holders in their capacity as equity holders:					
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Total equity at 30 June 2021	270,837	(15,946)	405	64,003	319,299

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.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group 6 months ended 30 Jun 22 S\$'000	Group 6 months ended 30 Jun 21 S\$'000
Cash flows from operating activities		
Operating costs paid	(2,608)	(2,624)
Interest income received	6,068	6,907
Dividend income received	661	520
Income tax paid	(114)	(70)
Net cash inflow from operating activities	<u>4,007</u>	<u>4,733</u>
Cash flows from investing activities		
Purchase of financial assets	(2,139)	(15,165)
Redemption/maturity of financial assets	24,182	38,313
Net proceeds from disposal of financial assets	609	255
Net cash generated from investing activities	<u>22,652</u>	<u>23,403</u>
Cash flows used in financing activities		
Dividends paid	(2,167)	(2,282)
Purchase of treasury shares	(7,167)	(6,873)
Net cash outflow used in financing activities	<u>(9,334)</u>	<u>(9,155)</u>
Net increase in cash and cash equivalents	17,325	18,981
Cash and cash equivalents at beginning of period	41,921	26,908
Effects of exchange rate changes on cash and cash equivalents	(908)	513
Cash and cash equivalents at end of period	<u>58,338</u>	<u>46,402</u>

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 six months ended 30 June 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 six months ended 30 June 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 annual financial statements for the year ended 31 December 2021.

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 consolidated 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
- Bank contingent convertibles
- Listed equities
- Cash and cash equivalents

	Bonds				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 six months ended 30 June 2022													
Total segment income	7	450	(1,702)	(3,741)	(10,708)	-	(98)	(6,338)	(284)	(1,374)	(35)	(425)	(24,248)
Segment profit/(loss) before tax	7	450	(1,702)	(3,741)	(10,708)	-	(98)	(6,338)	(284)	(1,374)	(35)	(425)	(24,248)
Included segment items													
Dividend income	-	-	-	-	-	-	-	-	24	1,246	7	-	1,277
Interest income	-	39	347	366	3,966	-	52	374	-	-	-	483	5,627
Net gain/(loss) on financial assets at fair value through profit or loss	7	411	(2,052)	(4,105)	(14,691)	-	(150)	(6,713)	(308)	(2,623)	(42)	-	(30,266)
Net foreign exchange gain	-	-	3	2	17	-	-	1	-	3	-	(908)	(886)
As at 30 June 2022													
Total segment assets	288	12,581	12,647	7,006	122,075	-	1,313	9,337	1,451	48,861	548	58,338	274,445
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-

CONDENSED INTERIM FINANCIAL STATEMENTS
For The Six Months Ended 30 June 2022

6 Segment and revenue information (Cont'd)

	Bonds				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
2021													
For the six months ended 30 June 2021													
Total segment income	19	960	1,741	174	6,886	47	76	883	250	9,153	281	624	21,094
Segment profit/(loss) before tax	19	960	1,741	174	6,886	47	76	883	250	9,153	281	624	21,094
Included segment items													
Dividend income	-	-	-	-	-	-	-	-	21	885	-	-	906
Interest income	38	413	114	452	4,477	26	51	528	-	-	-	235	6,334
Net gain/(loss) on financial assets at fair value through profit or loss	(19)	545	1,620	(284)	2,383	21	25	352	229	8,264	281	-	13,417
Net foreign exchange gain/(loss)	-	2	7	6	26	-	-	3	-	4	-	389	437
As at 30 June 2021													
Total segment assets	342	23,365	13,282	13,473	160,135	-	1,542	15,249	1,816	48,507	1,874	46,510	326,095
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-

6 Segment and revenue information (Cont'd)

Reconciliations of reportable segment profit or loss, assets and liabilities

	6 months ended 30 June 2022 S\$'000	Group 6 months ended 30 June 2021 S\$'000
Segment profits		
Reported profit for reportable segments	(24,248)	21,094
Management fees	(1,314)	(1,279)
Incentive fees	-	(2,335)
Other operating expenses	(894)	(971)
Profit/(loss) before income tax	(26,456)	16,509
Segment assets		
Reported assets for reportable segments	274,445	326,095
Other assets (excluding interest and dividend receivables)	286	122
Right-of-use asset	150	219
Total assets	274,881	326,436
Segment liabilities		
Reported liabilities for reportable segments	-	-
Management fee payable	(819)	(819)
Lease liabilities (current and non-current)	(156)	(220)
Other payables	(521)	(6,098)
Total liabilities	(1,496)	(7,137)

7 Financial assets at fair value through profit or loss

Set out below is an overview of the financial assets of the Group as at 30 June 2022 and 31 December 2021:

	Group		Company	
	30 June 2022 S\$'000	31 December 2021 S\$'000	30 June 2022 S\$'000	31 December 2021 S\$'000
Non-current				
Bonds	32,118	41,087	32,117	41,069
Bank contingent convertibles	130,839	170,964	130,839	170,964
	162,957	212,051	162,957	212,051
Current				
Bonds	-	2,137	-	2,137
Listed equities	50,225	51,667	50,225	51,667
	50,225	53,804	50,225	53,804
Total financial assets at fair value through profit or loss	213,182	265,855	213,182	265,855

7 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		Company	
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
Realised	(156)	553	(156)	553
Unrealised	(30,110)	12,864	(30,110)	12,864
Total gain/(loss)	(30,266)	13,417	(30,266)	13,417

8 Related party transactions

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

	Group	
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
Base management fees	1,314	1,279
Incentive fees	-	2,335
Fixed management fees	323	323
Other fees and reimbursement of expenses	198	193
Divestment fees	218	380
Total	2,053	4,510

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 13X 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.

	Group	
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
Income tax expense		
Withholding tax	114	70
Total	114	70

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

10 Dividends

In view of the current challenging environment, the Company has decided to defer the dividend consideration to the full year. There is no interim dividend declared for the financial year ending 31 December 2022

	Group	
	2022	2021
<u>Interim dividend</u>		
Dividend per Share (cents)	-	0.40
Dividend amount (S\$'000)	-	6,419
<u>Final dividend</u>		
Dividend per Share (cents)	-	0.40
Dividend amount (S\$'000)	-	6,280
	-	12,699

11 Net Asset Value

	Group		Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Net asset value per ordinary shares (S\$'000)	273,385	309,388	273,385	309,388
Total of ordinary shares in issue used in calculation of net assets value per share ('000)	1,581,003	1,600,291	1,581,003	1,600,291
Net asset value per ordinary share (S\$ per share)	0.1729	0.1933	0.1729	0.1933

12 Earnings per share

	Group	
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
<u>Basic earnings per share</u>		
Earnings used in calculation of basic earnings per share (S\$'000)	(26,570)	16,439
Weighted average number of ordinary shares in issue used in calculation of basic earnings per share ('000)	1,580,393	1,607,722
Basic earnings per share (cents per share)	(1.68)	1.02
<u>Diluted earnings per share</u>		
Earnings used in calculation of diluted earnings per share (S\$'000)	(26,570)	16,439
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,580,393	1,607,722
Diluted earnings per share (cents per share)	(1.68)	1.02

13 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:

Group As at 30 June 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	28,523	240	3,355	32,118
- Bank contingent convertibles	130,839	-	-	130,839
- Listed equities	50,225	-	-	50,225
	209,587	240	3,355	213,182

Group 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	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

There were no transfer of financial assets between levels during 30 June 2022 and 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.

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

- (i) Listed Equities

The listed equity is suspended with no observable price and a nil carrying value.

- (ii) Bonds

As there is currently no active market and observable prices are not available for some 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.

13 Fair value measurement (Cont'd)

- (ii) As a result of the assessment above, these investments were valued at the lower of broker quotes or internal valuations calculated at S\$3.4 million (31 December 2021: S\$6.9 million).

The following table presents the changes in Level 3 instruments for the six months ended 30 June 2022 and 31 December 2021.

Group	Level 3 S\$'000
At 1 January 2022	6,890
Disposal/redemption	(3,165)
Net loss on financial assets at fair value through profit or loss	(370)
At 30 June 2022	<u>3,355</u>
Total loss for the period included in profit or loss for assets held at the end of the period	<u>(370)</u>
At 1 January 2021	9,725
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>462</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 30 June 2022, S\$3.4 million (31 December 2021: S\$6.9 million) of these investments were valued based on broker quotes. Assuming a 5% increase (decrease) in broker quotes for investments valued based on broker quotes, the fair value will increase (decrease) by S\$0.2 million (31 December 2021: S\$0.3 million).

14 Share capital

	The Group and the Company			
	30 June 2022		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 period	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	(46,857)	(7,266)	(85,611)	(12,980)
Transfer of treasury shares	27,599	3,801	56,974	7,730
At end of financial period	(142,809)	(21,693)	(123,551)	(18,228)
Issued ordinary shares net treasury shares	<u>1,581,033</u>	<u>249,144</u>	<u>1,600,291</u>	<u>252,609</u>

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

15 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 condensed consolidated statement of financial position of Global Investments Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in 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 six months ended 30 June 2022

For the six months ended 30 June 2022, the Group reported a net loss after tax of S\$26.6 million as compared to a net profit after tax of S\$16.4 million recorded for the six months ended 30 June 2021, mainly due to fair value loss on financial assets at fair value through profit or loss (FVTPL).

Income

The Group reported a negative income of S\$23.4 million as compared to an income of S\$21.1 million recorded in the same period last year. The main difference in the income level was due to the fluctuation in fair value movement on FVTPL of S\$30.3 million loss for the six months ended 30 June 2022 as compared to a S\$13.4 million fair value gain in the comparative period. The Group also reported a lower interest income of S\$5.6 million as compared to S\$6.3 million in the comparative period. This was due to the redemption/maturity of investments during the half year, resulting in lower interest income recorded.

Expenses

Expenses for the six months ended 30 June 2022 was lower at S\$3.1 million as compared to S\$4.6 million recorded in the comparative period. This was mainly due to incentive fee of S\$2.3 million charged during the comparative period. A net foreign exchange loss of S\$0.9 million was recorded as compared to a net foreign exchange gain of S\$0.4 million in the comparative period.

Statement of financial position

Financial assets at fair value through profit or loss

The financial assets at FVTPL as at 30 June 2022 was S\$213.2 million and was S\$52.7 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 a net redemption/maturity of investments and net fair value losses from lower valuation of investments.

Cash and cash equivalents

Cash and cash equivalents increased to S\$58.3 million as at 30 June 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 30 June 2022 was 17.29 Singapore cents after the payment of FY2021 final dividend of 0.40 Singapore cents per share. If the FY2021 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 18.94 Singapore cents instead of 19.33 Singapore cents per share. Therefore, the decrease in net asset value per share from 18.94 to 17.29 Singapore cents would be 8.7% for the six months ended 30 June 2022.

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

Not applicable

4. 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

In 1H 2022, the Bloomberg Barclays Global High Yield Total Return Index fell by 16.9% in USD terms and 14.3% in SGD terms. Investment grade bonds outperformed high yield bonds in 1H 2022 as the equivalent investment grade index fell 13.9%. Specifically, corporate investment grade bonds fell 15.5%.

Inflation was a pressing theme that continued to worsen since the start of 2022 and the ongoing Covid-19 pandemic is still hampering global recovery, which is further exacerbated by the Russia-Ukraine conflict. Driven by higher energy prices and supply chain constraint, the resulting soaring inflation caused the Fed to take an aggressive stance by hiking the interest rate by 75 basis points in June. World central banks have also revealed plans to roll back easy monetary policies and started to raise interest rates, with the exception of China and Japan.

In 1H 2022, bond yields continued their upward trend, pushed higher by the Fed's hawkish policy stance. US 10-year Treasury yields rose by 146 bps to 2.98% while 2-year yields rose by 219 bps to 2.92%, flattening the US Treasury yield curve. The Singapore sovereign yield curve also flattened, as 10-year yields rose by 131 bps to 2.98% while 2-year yields rose by 177 bps to 2.68%.

In China, the Chinese government's stringent zero-Covid policy is still in place, depressing economic activity. The Chinese property developer sector remained weak with the continuing defaults across developers and falling investors and consumer confidence. On the back of slowing economic growth and the Chinese government's priority to revive the struggling property sector, the near-term environment will be marked by heightened uncertainty with frequent bouts of volatility.

Bank Contingent Convertibles (CoCos)

In 1H 2022, the Bloomberg Barclays Global CoCo Banking Total Return Index fell by 16.8% in USD terms and 14.2% in SGD terms.

Bank contingent convertibles spreads widened by 194bps over the past 6 months and 211bps over the past 12 months. Contingent convertibles spreads had been generally widening throughout 1H 2022, with March being the exception. This was along with a rise in overall market yields in response to an increasingly aggressive stance from the Fed, as inflation continued to trend higher. 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.

With the Fed signalling their intention to combat inflation via sharper interest rate hikes, the European Central Bank intends to raise interest rates in July and beyond. ECB had also ended net asset purchases under their asset purchase programme (APP) as of 1 July 2022. This will end the rapid expansion of central banks' balance sheets, a form of quantitative easing, and signalled a tightening of monetary policy ahead. The Reserve Bank of Australia ("RBA") had raised the cash rate 3 times since May 2022 and signalled further interest rate hikes to combat inflation.

Listed Equities

Global equities, represented by the MSCI ACWI Index, fell 20.9% and 17.3% over the past 6 and 12 months respectively. Decades-high inflation, exacerbated by the Russia-Ukraine conflict and supply chain issues, had spurred interest rate hikes by global central banks which threaten to further derail economic growth. Expectations for global growth and profits are at all-time lows, with cash levels at its highest since 9/11 and equity allocations at its lowest since 2008. The US Federal Reserve's strategy of letting inflation overshoot in 2021 spectacularly backfired in the first half of 2022. The US Federal Reserve is prioritising its fight against inflation over boosting near-term growth. However, given the Fed's aggressive stance on fighting inflation, it runs the risk of hiking interest rates into a growth restrictive territory and instead tip the US economy into a recession.

Chinese markets underperformed significantly, driven by local Covid-19 flare-ups, which triggered numerous lockdowns and clouded the outlook for the economy. Meanwhile, greater fiscal and monetary support are forthcoming via a range of accommodative measures. Infrastructure investment is expected to be an important growth driver.

The murky outlook for global inflation, interest rates, and economic conditions has led to an unwelcomed uptick in market volatility across multiple asset classes. Global equities and bond markets sold off in unison as major equity markets around the world plunged on inflation concerns and the conflict in Ukraine.

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

5. Dividend information

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

In view of the current challenging environment, the Company has decided to defer the dividend consideration to the full year. There is no interim dividend declared for the financial year ending 31 December 2022.

(b) Previous corresponding period

	Group	
	2022	2021
<u>Interim dividend</u>		
Dividend per Share (cents)	-	0.40
Dividend amount (S\$'000)	-	6,419
<u>Final dividend</u>		
Dividend per Share (cents)	-	0.40
Dividend amount (S\$'000)	-	6,280
	-	12,699

(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

Not applicable.

(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

Not applicable.

6. Interested person transactions

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

7. 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.

8. 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 year ended 30 June 2022 to be false or misleading in any material respect

On behalf of the Board of Directors

Boon Swan Foo
Chairman
11 August 2022

Lay Charlie Nhuc Hiang
Chairman of Audit and Risk Management Committee
11 August 2022