



GLOBAL INVESTMENTS LIMITED

Condensed Interim Financial Statements For The Six Months Ended 30 June 2023

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	Company 6 months ended 30 Jun 23 S\$'000	Group and Company 6 months ended 30 Jun 22 S\$'000
Income			
Dividend income		1,134	1,277
Interest income		5,300	5,627
Net loss on financial assets at fair value through profit or loss	7	(1,664)	(30,266)
Total income/(loss)		4,770	(23,362)
Expenses			
Management fees	8	(984)	(1,314)
Incentive fees		-	-
Net foreign exchange loss		(1,065)	(886)
Other operating expenses		(956)	(894)
Total expenses		(3,005)	(3,094)
Profit/(Loss) before tax		1,765	(26,456)
Income tax expense	9	(91)	(114)
Profit/(Loss) after tax		1,674	(26,570)
Total comprehensive income/(loss) for the period attributable to shareholders		1,674	(26,570)
Basic earnings per share (cents per share)	12	0.11	(1.68)
Diluted earnings per share (cents per share)	12	0.11	(1.68)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	Company As at 30 Jun 23 S\$'000	Company As at 31 Dec 22 S\$'000
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	7	154,550	162,254
Right-of-use asset		81	115
		<u>154,631</u>	<u>162,369</u>
Current assets			
Cash and cash equivalents		48,659	51,065
Financial assets at fair value through profit or loss	7	49,998	46,349
Other assets		3,075	2,521
		<u>101,732</u>	<u>99,935</u>
Total Assets		<u>256,363</u>	<u>262,304</u>
LIABILITIES			
Current liabilities			
Lease liabilities		76	72
Other liabilities		1,282	1,108
		<u>1,358</u>	<u>1,180</u>
Non-current liabilities			
Lease liabilities		12	51
		<u>12</u>	<u>51</u>
Total Liabilities		<u>1,370</u>	<u>1,231</u>
Net assets attributable to shareholders		<u>254,993</u>	<u>261,073</u>
EQUITY			
Share capital	14	270,837	270,837
Treasury shares	14	(18,593)	(25,477)
Capital reserve		(1,101)	1,054
Retained earnings		3,850	14,659
Total Equity		<u>254,993</u>	<u>261,073</u>
Net asset value per share (S\$ per share)		<u>0.1598</u>	<u>0.1682</u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Company Changes in shareholders' equity for the six months ended 30 June 2023	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Total equity at 1 January 2023 ¹	270,837	(25,477)	1,054	14,659	261,073
Profit for the period	-	-	-	1,674	1,674
Transactions with equity holders in their capacity as equity holders:					
Purchase of treasury shares	-	(1,847)	-	-	(1,847)
Transfer of treasury shares ²	-	8,731	(2,155)	-	6,575
Dividend for the period	-	-	-	(12,482)	(12,482)
Total equity at 30 June 2023	270,837	(18,593)	(1,101)	3,851	254,993

Group and Company Changes in shareholders' equity 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
Profit 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 ²	-	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

¹ The Group has struck off its wholly-owned dormant subsidiaries on 30 December 2022, and the balance at 1 January 2023 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 FLOWS

	Company 6 months ended 30 Jun 23 S\$'000	Group and Company 6 months ended 30 Jun 22 S\$'000
Cash flows from operating activities		
Operating costs paid	(2,016)	(2,608)
Interest income received	5,043	6,068
Dividend income received	702	661
Income tax paid	(91)	(114)
Net cash inflow from operating activities	<u>3,638</u>	<u>4,007</u>
Cash flows from investing activities		
Purchase of financial assets	(14,000)	(2,139)
Redemption/maturity of financial assets	11,659	24,182
Net proceeds from disposal of financial assets	5,041	609
Net cash generated from investing activities	<u>2,700</u>	<u>22,652</u>
Cash flows used in financing activities		
Dividends paid	(5,907)	(2,167)
Purchase of treasury shares	(1,774)	(7,167)
Net cash outflow used in financing activities	<u>(7,681)</u>	<u>(9,334)</u>
Net increase in cash and cash equivalents	(1,343)	17,325
Cash and cash equivalents at beginning of period	51,065	41,921
Effects of exchange rate changes on cash and cash equivalents	(1,063)	(908)
Cash and cash equivalents at end of period	<u>48,659</u>	<u>58,338</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 financial statements as at and for the six months ended 30 June 2023 and as at 31 December 2022 comprise the Company's while the condensed consolidated interim financial statements as at and for the six months ended 30 June 2022 comprised the Company and its subsidiaries.

The principal activities of the Company 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 2023 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 Company's financial position and performance of the Company since the last annual financial statements for the year ended 31 December 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 Company

A number of amendments to Standards have become applicable for the current reporting period. The Company 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 Company 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 Company'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 2022.

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

CONDENSED INTERIM FINANCIAL STATEMENTS
For The Six Months Ended 30 June 2023

6 Segment and revenue information

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

- Bonds and collateralised loan obligations
- Additional Tier 1
- Tier 2
- Listed equities
- Cash and cash equivalents

	Bonds and collateralised loan obligations				Additional Tier 1			Tier 2			Listed Equities			Cash and cash equivalents	Total
	Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	S\$'000	S\$'000
2023															
For the six months ended 30 June 2023															
Total segment income/(loss)	(15)	885	305	400	(2,436)	21	5	718	-	15	(1)	4,111	182	(485)	3,705
Segment profit/(loss) before tax	(15)	885	305	400	(2,436)	21	5	718	-	15	(1)	4,111	182	(485)	3,705
Included segment items															
Dividend income	-	-	-	-	-	-	-	-	-	-	47	1,080	7	-	1,134
Interest income	27	-	435	246	2,866	51	248	667	-	177	-	-	-	583	5,300
Net gain/(loss) on financial assets at fair value through profit or loss	(42)	885	(129)	151	(5,314)	(30)	(242)	57	-	(162)	(48)	3,035	175	-	(1,664)
Net foreign exchange gain/(loss)	-	-	(1)	3	12	-	(1)	(6)	-	-	-	(4)	-	(1,068)	(1,065)
As at 30 June 2023															
Total segment assets	9,424	6,957	12,072	6,407	89,818	1,243	7,073	21,236	-	8,179	1,322	42,874	778	48,785	256,168
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

CONDENSED INTERIM FINANCIAL STATEMENTS
For The Six Months Ended 30 June 2023

6 Segment and revenue information (Cont'd)

	Bonds and collateralised loan obligations				Additional Tier 1			Tier 2			Listed Equities			Cash and cash equivalents	Total
	Europe	Asia	North America	Others	Europe	North America	Others	Europe	North America	Others	Europe	Asia	North America		
	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
2022															
For the six months ended 30 June 2022															
Total segment income	7	450	(1,702)	(3,741)	(11,180)	(98)	(6,385)	473	-	127	(284)	(1,374)	(35)	(425)	(24,248)
Segment profit/(loss) before tax	7	450	(1,702)	(3,741)	(10,708)	(98)	(6,338)	473	-	127	(284)	(1,374)	(35)	(425)	(24,248)
Included segment items															
Dividend income	-	-	-	-	-	-	-	-	-	-	-	1,246	7	-	1,277
Interest income	-	39	347	366	3,489	52	325	478	-	129	-	-	-	483	5,627
Net gain/(loss) on financial assets at fair value through profit or loss	7	395	(2,052)	(944)	(13,226)	(150)	(6,447)	(1,465)	-	(3,411)	(308)	(2,623)	(42)	-	(30,266)
Net foreign exchange gain	-	(4)	3	2	22	-	3	(5)	-	(2)	-	3	-	(908)	(886)
As at 30 June 2022															
Total segment assets	288	12,582	12,647	6,140	102,482	1,313	7,474	19,593	-	2,728	1,451	48,861	548	58,338	274,445
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

6 Segment and revenue information (Cont'd)

Reconciliations of reportable segment profit or loss, assets and liabilities

	Company 6 months ended 30 June 2023 S\$'000	Group and Company 6 months ended 30 June 2022 S\$'000
Segment profits		
Reported profit for reportable segments	3,705	(24,248)
Management fees	(984)	(1,314)
Incentive fees	-	-
Other operating expenses	(956)	(894)
Profit/(loss) before income tax	1,765	(26,456)
Segment assets		
Reported assets for reportable segments	256,168	274,445
Other assets (excluding interest and dividend receivables)	114	286
Right-of-use asset	81	150
Total assets	256,363	274,881
Segment liabilities		
Reported liabilities for reportable segments	-	-
Management fee payable	(666)	(819)
Lease liabilities (current and non-current)	(88)	(156)
Other payables	(616)	(521)
Total liabilities	(1,370)	(1,496)

7 Financial assets at fair value through profit or loss

Set out below is an overview of the financial assets of the Company as at 30 June 2023 and 31 December 2022:

Company	30 June 2023 S\$'000	31 December 2022 S\$'000
Non-current		
Bonds and collateralised loan obligations	28,945	31,303
Additional Tier 1	96,691	104,247
Tier 2	28,914	26,704
	<u>154,550</u>	<u>162,254</u>
Current		
Bonds and collateralised loan obligations	5,453	-
Listed equities	44,545	46,349
	<u>49,998</u>	<u>46,349</u>
Total financial assets at fair value through profit or loss	<u>204,548</u>	<u>208,603</u>

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:

	Company 6 months ended 30 June 2023 S\$'000	Group and Company 6 months ended 30 June 2022 S\$'000
Realised	(3,916)	(156)
Unrealised	2,253	(30,110)
Total gain/(loss)	(1,664)	(30,266)

8 Related party transactions

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

	Company 6 months ended 30 June 2023 S\$'000	Group and Company 6 months ended 30 June 2022 S\$'000
Base management fees	984	1,314
Fixed management fees	322	323
Other fees and reimbursement of expenses	209	198
Acquisition fees	45	-
Divestment fees	241	218
Total	1,801	2,053

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.

	Company 6 months ended 30 June 2023 S\$'000	Group and Company 6 months ended 30 June 2022 S\$'000
Income tax expense		
Withholding tax	91	114
Total	91	114

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 payment of a final dividend of 0.40 Singapore cents per share was approved by shareholders at the Annual General Meeting held on 26 April 2023. On 23 June 2023, S\$2.2 million was paid in cash and S\$4.0 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

The Company distributed a 2022 interim dividend of 0.40 Singapore cents per share amounting to S\$6.2 million on 18 April 2023. S\$3.7 million was paid in cash and S\$2.5 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

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 2023 are exempt from tax (one-tier) when received in the hands of Shareholders.

	Company	
	2023	2022
<u>Interim dividend</u>		
Dividend per Share (cents)	-	0.40
Dividend amount (S\$'000)	-	6,207
<u>Final dividend</u>		
Dividend per Share (cents)	-	0.40
Dividend amount (S\$'000)	-	6,275
	-	12,482

11 Net Asset Value

	Company	
	30 June 2023	31 December 2022
Net asset value per ordinary shares (S\$'000)	254,993	261,073
Total of ordinary shares in issue used in calculation of net assets value per share ('000)	1,595,767	1,552,318
Net asset value per ordinary share (S\$ per share)	0.1598	0.1682

12 Earnings per share

	Company 6 months ended 30 June 2023 S\$'000	Group and Company 6 months ended 30 June 2022 S\$'000
<u>Basic earnings per share</u>		
Earnings used in calculation of basic earnings per share (S\$'000)	1,674	(26,570)
Weighted average number of ordinary shares in issue used in calculation of basic earnings per share ('000)	1,557,958	1,580,393
Basic earnings per share (cents per share)	0.11	(1.68)
<u>Diluted earnings per share</u>		
Earnings used in calculation of diluted earnings per share (S\$'000)	1,674	(26,570)
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,557,958	1,580,393
Diluted earnings per share (cents per share)	0.11	(1.68)

13 Fair value measurement

The Company 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 30 June 2023	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	30,441	-	3,957	34,398
- Additional Tier 1	96,087	604	-	96,691
- Tier 2	28,302	612	-	28,914
- Listed equities	44,545	-	-	44,545
	199,375	1,216	3,957	204,548

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	27,818	-	3,484	31,302
- Additional Tier 1	104,327	920	-	104,247
- Tier 2	25,904	801	-	26,705
- Listed equities	46,349	-	-	46,349
	203,398	1,721	3,484	208,603

There were no transfer of financial assets between levels during 30 June 2023 and 31 December 2022.

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 Company is the current bid price. These instruments are included in Level 1 and comprise listed equity securities, bonds and bank contingent convertibles.

13. Fair value measurement (Cont'd)

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

There are 2 suspended/ delisted equities with no observable price and a nil carrying value.

(ii) Bonds and Collateralised Loan Obligations

As there is currently no active market and observable prices are not available for some investments, the Company 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\$4.0 million (31 December 2022: S\$3.5 million).

The following table presents the changes in Level 3 instruments for the six months ended 30 June 2023 and 31 December 2022.

Company	Level 3 S\$'000
At 1 January 2023	3,484
Disposal/redemption	(21)
Net gain on financial assets at fair value through profit or loss	494
At 30 June 2023	<u>3,957</u>
Total gain for the period included in profit or loss for assets held at the end of the period	<u>494</u>
Group and Company	
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>

In estimating significance, the Company performed sensitivity analysis based on methodologies applied for fair value adjustment. These adjustments reflect the values which the Company 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 2023, S\$4.0 million (31 December 2022: S\$3.5 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 2022: S\$0.2 million).

14. Share capital

Company	30 June 2023		31 December 2022	
	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	(171,524)	(25,477)	(123,551)	(18,228)
Purchase of treasury shares	(16,146)	(1,847)	(75,572)	(11,050)
Transfer of treasury shares	59,594 ¹	8,731	27,599 ²	3,801
At end of financial period	(128,076)	(18,593)	(171,524)	(25,477)
Issued ordinary shares net treasury shares	1,595,766	252,244	1,552,318	245,360

¹On 18 April 2023, 21,202,951 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme. On 23 June 2023, 38,391,137 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme.

²On 22 June 2022, 27,599,302 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme.

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 statement of financial position of Global Investments Limited as at 30 June 2023 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 Company

Financial performance for six months ended 30 June 2023

For the six months ended 30 June 2023, the Company reported a net profit after tax of S\$1.7 million as compared to a net loss after tax of S\$26.6 million recorded for the six months ended 30 June 2022. The loss after tax in the comparative period was mainly due to higher fair value loss on financial assets at fair value through profit or loss (FVTPL).

Income

The Company reported an income of S\$4.8 million as compared to a negative income of S\$23.4 million recorded in the same period last year. The main difference in the income level was due to the lower fair value loss on FVTPL of S\$1.7 million loss for the six months ended 30 June 2023 as compared to a S\$30.3 million fair value loss in the comparative period.

Expenses

Expenses for the six months ended 30 June 2023 remained relatively the same at S\$3.0 million as compared to S\$3.1 million recorded 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 2023 of S\$204.5 million was relatively unchanged from the carrying value of S\$208.6 million as at 31 December 2022.

Cash and cash equivalents

Cash and cash equivalents decreased to S\$48.7 million as at 30 June 2023 from S\$51.1 million as at 31 December 2022. This was mainly due to the purchase of treasury shares and payment of FY2022 interim and final dividend offset by the net redemption/maturity of investments.

Other assets

As at 30 June 2023, other assets of S\$3.1 million comprised interest and dividend receivables.

Other liabilities

As at 30 June 2023, other liabilities of S\$1.3 million comprised mainly fees payable to the Manager.

Net asset value per share

The net asset value per share of the Company as at 30 June 2023 was 15.98 Singapore cents after the payment of FY2022 interim and final dividend each of 0.40 Singapore cents per share. If the FY2022 interim and final dividend was paid and the treasury shares relating to the Scrip Dividend Scheme had been utilised before 31 December 2022, the net asset value per share as at 31 December 2022 would have been 15.83 Singapore cents instead of 16.82 Singapore cents per share. Therefore, the increase in net asset value per share from 15.83 to 15.98 Singapore cents would be 0.95% for the six months ended 30 June 2023.

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 Company operates and any known factors or events that may affect the Company in the next reporting period and the next twelve months.

Additional Tier 1 (AT1) and Tier 2 Bonds

The European Central Bank (ECB) raised interest rates 8 consecutive times to 4.00% in June 2023. Starting from July 2023, ECB will accelerate the shrinking of its Asset Purchase Programme (APP) portfolio by discontinuing the reinvestment of the proceeds of maturing securities, thereby continuing the quantitative tightening process.

The net interest margin (NIM) for most European banks should remain firm given the high interest rate environment, though it is projected to peak in 2023. While credit losses are expected to creep upwards from a low base, it is expected that additional credit provisions will be easily absorbed by earnings. In addition, stronger capitalisation over the years allows banks to navigate tough operating conditions.

AT1 spreads spiked in March following the permanent write-down of Credit Suisse's AT1 bonds. Since then, there has been a gradual normalisation of spreads, with new AT1 issuance coming back and some banks redeeming their AT1s at call date. AT1 spreads widened by 26bps over the past 6 months ending June 2023, but are tighter by 36bps over the past 12 months. In 1H 2023, the Bloomberg Global CoCo Tier 1 total return fell 3.5% in USD terms and 2.5% in SGD terms.

Tier 2 spreads widened by 58bps over the past 6 months ending June 2023, but are tighter by 11bps over the past 12 months. In 1H2023, the Bloomberg Global CoCo Tier 2 total return rose 2.6% in USD terms and 3.6% in SGD terms.

Bonds & Collateralised Loan Obligations

The lagged effect of aggressive rate hikes in 2022 saw its intended impact as inflation has been slowing down since Q3 2022. The Fed announced a pause in rate hikes in the June 2023 FOMC meeting, reflecting the economic data which suggested that inflation had cooled down substantially in the US. However, due to the resilient labour market, core inflation remained sticky and thus the Fed is expected to maintain its hawkish stance with no projected rate cuts in 2023.

The inversion of the US Treasury yield curve deepens, pushed higher by the Fed's hawkish policy stance. US 10-year Treasury yields fell 7bps to 3.81% while 2-year yields rose 46bps to 4.87%. The Singapore sovereign yield curve also inverted slightly, as 10-year yields fell 1bp to 3.08% while 2-year yields rose 47bps to 3.59%.

In 1H 2023, the Bloomberg Barclays Global High Yield Total Return Index rose 5.2% in USD terms and 6.2% in SGD terms. Investment grade bonds underperformed high yield bonds during this period as the equivalent investment grade index rose 1.4%. Specifically, corporate investment grade bonds rose 3.5%.

Listed Equities

During the 1H 2023, the banking sector in both United States and Switzerland experienced instability and their authorities took strong action to contain the spread of the crisis. China's post-Covid economic recovery was initially expected to be stable, driven by a pickup in domestic services and consumption. However, the recovery was losing momentum due to stresses in its property market, as well as weakness in its industrial sector amidst subdued external demand conditions and elevated youth unemployment.

Global equities, represented by the MSCI All Country World Index (ACWI), rose 12.80% and 14.42% over the past 6 and 12 months respectively.

5. Dividend information

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

In view of the current level of retained earnings, there is no interim dividend declared for the financial year ending 31 December 2023.

(b) Previous corresponding period

	Company	
	2023	2022
<u>Interim dividend</u>		
Dividend per Share (cents)	-	0.40
Dividend amount (S\$'000)	-	6,207
<u>Final dividend</u>		
Dividend per Share (cents)	-	0.40
Dividend amount (S\$'000)	-	6,275
	-	<u>12,482</u>

(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 2023 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 2023 to be false or misleading in any material respect

On behalf of the Board of Directors

Boon Swan Foo
Chairman
10 August 2023

Lay Charlie Nhuc Hiang
Chairman of Audit and Risk Management Committee
10 August 2023