



Global Investments Limited

Half and Full Year Results
Period ended 31 December 2023

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AGENDA

1. Performance Highlights

2. Financial Highlights

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1. Performance Highlights for 2023

Return on Equity

	FY 23 %	FY 22 %	Change (%)	Remarks
Return on Equity	3.3	(12.3)	Nm ¹	The Company recorded a return on equity (computed based on net profit/loss after tax over the average total equity) of 3.3% in 2023 compared to -12.3% in 2022.

Earnings per Share

	FY 23 cents	FY 22 cents	Change (%)	Remarks
Earnings per Share	0.55	(2.23)	Nm ¹	The Company recorded a positive earnings per share of 0.55 cents (based on weighted average number of shares of 1.57 billion) for the full year ended 31 December 2023 compared to a loss per share of 2.23 cents (based on weighted average number of shares of 1.57 billion) for the full year ended 31 December 2022.

Net Asset Value per Share

	FY 23	FY 22	Change (%)	Remarks
Net Asset Value per Share (S\$ per share)	0.1586 0.1737 (After adjustments for FY2022 interim and final dividends, bonus issue and on/off-market share buy-back)	0.1682	3.3	The net asset value per share of the Company as at 31 December 2023 was 15.86 cents after the payment of FY2022 interim and final dividends totalling 0.80 cents per share, bonus issue using treasury shares and the on/off-market share buy-back. Adjusting for these corporate actions, the net asset value per share as at 31 December 2023 would have been 17.37 cents instead of 15.86 cents per share, and the increase in net asset value per share in 2023 would be 3.3%.

⁴ ¹ Nm: not meaningful

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2. Financial Highlights for 2H 2023

Statement of Comprehensive Income

	2H '23 S\$m	2H '22 S\$m	Change (%)	Remarks
Dividend Income	1.2	1.1	9.1	The Company reported an income of S\$9.5 million for the half year ended 31 December 2023 compared to a loss of S\$3.8 million recorded in the same period last year.
Interest Income	5.5	5.5	1.8	
Net foreign exchange gain (net of hedges)	-	-	-	The main difference in the income level was due to the fair value gain on financial assets at fair value through profit or loss (FVTPL) of S\$2.7 million for the half year ended 31 December 2023 compared to a S\$10.4 million fair value loss in the same period last year. Dividend income increased slightly to S\$1.2 million from S\$1.1 million in the comparative period. Interest income of S\$5.5 million for the half year ended 31 December 2023 was the same as last year.
Net gain on financial assets designated as fair value through profit or loss (FVTPL)	2.7	(10.4)	Nm ¹	
Total income	9.5	(3.8)	Nm¹	
Management fees	1.0	1.2	(16.7)	Expenses for the half year ended 31 December 2023 were lower at S\$2.5 million compared to S\$4.6 million in the same period last year. The decrease was due to a lower net foreign exchange loss of S\$0.4 million compared to S\$2.4 million in the same period last year.
Incentive fees	-	-	-	
Net foreign exchange loss	0.4	2.4	(83.3)	
Other operating expenses	1.1	1.0	10.0	
Total expenses	2.5	4.6	(45.7)	

¹ Nm: not meaningful

2. Financial Highlights for 2H 2023

Statement of Comprehensive Income (cont'd)

	2H '23 S\$m	2H '22 S\$m	Change (%)	Remarks
Profit before tax	7.0	(8.5)	Nm ¹	
Income tax expense	0.1	0.1	-	
Profit after tax	6.9	(8.5)	Nm ¹	
Total comprehensive income for the period attributable to shareholders	6.9	(8.5)	Nm ¹	Total comprehensive income for the Company was a gain of S\$6.9 million in 2H 2023 compared to a loss of S\$8.5 million in 2H 2022.
Basic earnings per share (cents per share)	0.44	(0.54)	Nm ¹	The Company recorded an earnings per share of 0.44 cents (based on weighted average number of shares of 1.59 billion) in 2H 2023 compared to loss per share of 0.54 cents (based on weighted average number of shares of 1.57 billion) in 2H 2022.
Diluted earnings per share (cents per share)	0.44	(0.54)	Nm ¹	

¹ Nm: not meaningful

2. Financial Highlights for FY 2023

Statement of Comprehensive Income

	FY 23 S\$m	FY 22 S\$m	Change (%)	Remarks
Dividend Income	2.4	2.4	-	The Company reported an income of S\$14.3 million for the year ended 31 December 2023 compared to a loss of S\$27.2 million recorded last year. The higher income was largely attributable to the fair value gain on financial assets at fair value through profit or loss (FVTPL) of S\$1.1 million compared to a fair value loss of S\$40.7 million last year. The Company reported a slightly lower interest income of S\$10.8 million compared to S\$11.1 million last year. Meanwhile, dividend income was flat at S\$2.4 million for the year ended 31 December 2023.
Interest Income	10.8	11.1	(2.7)	
Net foreign exchange gain	-	-	-	
Net gain/(loss) on financial assets designated as fair value through profit or loss (FVTPL)	1.1	(40.7)	Nm ¹	
Total income/(loss)	14.3	(27.2)	Nm¹	
Management fees	2.0	2.5	(20.0)	Expenses for the year ended 31 December 2023 were S\$5.5 million, 28.6% lower than S\$7.7 million recorded last year. This was mainly due to a lower net foreign exchange loss and lower management fees.
Incentive fees	-	-	-	
Net foreign exchange loss	1.5	3.3	(54.5)	
Other operating expenses	2.0	1.9	(5.3)	
Total expenses	5.5	7.7	(28.6)	

¹ Nm: not meaningful

2. Financial Highlights for FY 2023

Statement of Comprehensive Income (cont'd)

	FY 23 S\$m	FY 22 S\$m	Change (%)	Remarks
Profit/(loss) before tax	8.8	(34.9)	Nm ¹	
Income tax expense	0.2	0.2	-	
Profit/(loss) after tax	8.6	(35.1)	Nm ¹	For the year ended 31 December 2023, the Company reported a net profit after tax of S\$8.6 million compared to a net loss after tax of S\$35.1 million recorded for the year ended 31 December 2022. The higher profit was largely attributable to the fair value gain on financial assets at fair value through profit or loss (FVTPL).
Total comprehensive income for the period attributable to shareholders	8.6	(35.1)	Nm ¹	
Basic earnings per share (cents per share)	0.55	(2.23)	Nm ¹	The Company reported a earnings per share of 0.55 cents (based on weighted average number of shares of 1.57 billion) for the full year ended 31 December 2023 compared to a loss per share of 2.23 cents (based on weighted average number of shares of 1.57 billion) for the full year ended 31 December 2022.
Diluted earnings per share (cents per share)	0.55	(2.23)	Nm ¹	

¹ Nm: not meaningful

2. Financial Highlights for FY 2023

Statement of Financial Position

	Company as at 31 Dec 2023 S\$m	Company as at 31 Dec 2022 S\$m	Change %	Remarks
Assets				
Non-current assets				
Financial assets at fair value through profit or loss	158.8	162.3	(2.2)	The financial assets at fair value through profit or loss (FVTPL) as at 31 December 2023 was S\$158.8 million and was S\$3.5 million lower than the carrying value of the portfolio of investments of S\$162.3 million as at 31 December 2022. The decrease was mainly due to net redemption/maturity of investments.
Right-of-use asset	0.0	0.1	Nm ¹	
Total non-current assets	158.8	162.4	(2.2)	
Current assets				
Cash and cash equivalents	53.3	51.1	4.3	Cash and cash equivalents increased to S\$53.3 million as at 31 December 2023 from S\$51.1 million as at 31 December 2022. This was mainly due to the net redemption/maturity of investments, offset by the purchase of treasury shares and payment of FY2022 Interim and Final Dividends.
Financial assets at fair value through profit or loss	41.8	46.3	(9.7)	Comprised investments in listed equities and bonds maturing within a year.
Other assets	6.1	2.5	144.0	Comprised interest, dividend and trade receivables.
Total current assets	101.2	99.9	1.3	
Total Assets	260.0	262.3	(0.9)	

¹ Nm: not meaningful

2. Financial Highlights for FY 2023

Statement of Financial Position (cont'd)

	Company as at 31 Dec 2023 S\$m	Company as at 31 Dec 2022 S\$m	Change %	Remarks
Liabilities				
Current liabilities				
Lease Liabilities	0.1	0.1	-	
Other liabilities	1.5	1.1	36.4	Comprised fees payable to the Manager and accrual of operating expenses.
Total current liabilities	1.6	1.2	33.3	
Non-current liabilities				
Lease liabilities	-	0.1	Nm ¹	
Total non-current liabilities	-	0.1	Nm¹	
Total Liabilities	1.6	1.2	33.3	
Net assets attributable to shareholders	258.4	261.1	(1.0)	
Equity				
Share capital	270.8	270.8	-	
Treasury shares	(12.1)	(25.5)	52.5	The decrease was due to 123,148,040 treasury shares transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme for FY2022 Interim and Final Dividends, and Bonus Issue. A total of 46,407,150 ordinary shares which amounted to S\$5.3 million were purchased and held as treasury shares during FY2023.
Capital reserve	(11.0)	1.1	Nm ¹	
Retained earnings	10.8	14.7	(26.5)	The decrease was due to declaration of FY2022 Interim Dividend of S\$6.2 million and FY2022 Final Dividend of S\$6.2 million offset by Net Profit of S\$8.6 million.
Total Equity	258.4	261.1	(1.0)	
Net asset value per share (S\$ per share)	0.1586	0.1682	(5.7)	

2. Financial Highlights for FY 2023

Proposed Final Dividend of 0.40 cents per Share and Total Distribution for FY 2023

	FY 23 S\$m	FY 22 S\$m	Change (%)	Remarks
Interim Dividend	-	6.2	-	The Company issued bonus shares to eligible shareholders on the basis of 1 bonus share for every 25 existing issued shares in the share capital of the Company. The Company transferred 63.5 million treasury shares for the allotment of bonus shares. The value of the treasury shares transferred was S\$9.9 million. The Company has recommended FY2023 final dividend of 0.4 cents per share to be approved at Annual General Meeting 2024.
Bonus Shares	9.9	-	-	
Final Dividend	6.2 (Proposed)	6.2	-	
	16.1	12.4	29.8	

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3. Corporate Overview

❑ Awards and Accolades

- ❑ GIL remains on the SGX Fast Track until the next review. SGX Fast Track recognises the efforts and achievements of listed issuers which have upheld high corporate governance standards and maintained a good compliance track record.
- ❑ GIL won a Bronze Award for Best Investor Relations Award under the companies with less than \$300 million in market capitalization category at the Singapore Corporate Awards 2023.

❑ Singapore Governance and Transparency Index 2023

- ❑ The Singapore Governance and Transparency Index (SGTI) 2023 was released in The Business Times on 2 August 2023. The Company was ranked 29th out of 474 listed companies in the SGTI 2023.
- ❑ The Company was awarded SGTI base score of 77 points and bonus score of 22 points. The Company achieved an overall SGTI score of 99 points compared to last year's 96 points.

3. Corporate Overview

❑ 2023 Bonus Issue

- ❑ The Company issued bonus shares to eligible shareholders on the basis of 1 bonus share for every 25 existing issued shares in the share capital of the Company. On 13 December 2023, the Company transferred 63,553,952 treasury shares for the allotment of bonus shares. The value of the treasury shares transferred was S\$9,940,627.

❑ 2023 Off-Market Equal Access Offer

- ❑ The Company conducted off-market equal access offer in conjunction with the issue of bonus shares by distribution of treasury shares.
- ❑ The Company paid out S\$393,367 to shareholders on 13 December 2023. A total of 3,746,350 shares were bought back from shareholders and held as treasury shares.

3. Corporate Overview

❑ 2023 Dividends

- ❑ For final dividend of 2023, the Company has recommended a payout of 0.40 cents per share and the Scrip Dividend Scheme will be applied to it. This payment is subject to the approval of shareholders at the Annual General Meeting 2024.

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4. Portfolio Composition (By Asset Class*)

Asset Class	As At 31 December 2023 %	As At 31 December 2022 %	Change In Percentage Point %
Listed Equities	16.2	17.8	▼ 1.6
Additional Tier 1	32.7	39.9	▼ 7.2
Tier 2	14.9	10.2	▲ 4.7
Bonds	10.4	10.8	▼ 0.4
CLOs	3.4	1.2	▲ 2.2
Cash and Other Assets	22.4	20.1	▲ 2.3
Total	100.0	100.0	-

* Percentage of the Company's net asset value.

4. Portfolio Composition (By Currency Exposure*)

Currency	As At 31 December 2023 %	As At 31 December 2022 %	Change In Percentage Point %
SGD	34.4	31.7	▲ 2.7
USD	27.7	29.2	▼ 1.5
CNH/CNY	16.3	16.4	▼ 0.1
HKD	9.7	10.3	▼ 0.6
EUR	6.1	5.6	▲ 0.5
AUD	3.3	4.1	▼ 0.8
Others	2.5	2.7	▼ 0.2
Total	100.0	100.0	-

* Percentage of the Company's net asset value.

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❑ Additional Tier 1 (AT1) and Tier 2 Bonds

- ❑ The European Central Bank (“ECB”) held interest rates steady at 4.50% for the past 3 monetary policy meetings. Starting from July 2024, ECB intends to commence the shrinking of its Pandemic Emergency Purchase Programme (PEPP) portfolio by not reinvesting €7.5 billion of the proceeds of maturing securities per month until the end of the year.
- ❑ The net interest margin (NIM) for most European banks remained firm given the current high interest rate environment. However, it has possibly peaked towards the end of 2023 as inflation cooled significantly and discussions of rate cuts in 2024 gained traction. While credit losses are expected to creep upwards from a low base, stronger capitalisation over the years as well as bank earnings should allow them to navigate challenging operating conditions.

5. Market Overview

❑ **Additional Tier 1 (AT1) and Tier 2 Bonds**

- ❑ After the initial spike in AT1 spreads following the Credit Suisse event in March, 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 tightened by 89bps and 63bps over the past 6 and 12 months respectively. The Bloomberg Global CoCo Tier 1 total return rose 8.6% and 5.8% over the past 6 and 12 months respectively, in SGD terms.
- ❑ Tier 2 spreads tightened by 2bps over the past 6 months ending December 2023, but widened by 55bps over the past 12 months. The Bloomberg Global CoCo Tier 2 total return rose 4.9% and 8.7% over the past 6 and 12 months respectively, in SGD terms.

5. Market Overview

❑ Bonds and Collateralised Loan Obligations

- ❑ The Fed's restrictive monetary policy continued to exert its intended effect as inflation was brought down considerably since Q3 2022. This allowed the Fed to hold rates steady for the past 3 FOMC meetings.
- ❑ In 2H 2023, US 10-year Treasury yields rose 7bps to 3.88% while 2-year yields fell 64bps to 4.23%. With easing inflationary pressure and stronger market expectations of rate cuts in 2024, the US Treasury yield curve continues to un-invert. However, due to the resilient labour market and consumer spending, a pivot in monetary policy is not to be expected moving into Q1 2024, which in turn prolongs the reversal of the yield curve inversion.
- ❑ The Singapore sovereign yield curve remained slightly inverted, as 10-year yields fell 37bps to 2.71% while 2-year yields also fell 33bps to 3.26% in 2H 2023.

5. Market Overview

❑ Bonds and Collateralised Loan Obligations

- ❑ The Bloomberg Barclays Global High Yield Total Return Index rose 5.8% and 12.4% over the past 6 and 12 months respectively, in SGD terms. Investment grade bonds underperformed high yield bonds as the equivalent investment grade index rose 1.7% and 4.2% over the same period. Specifically, corporate investment grade bonds rose 3.4% and 8.0% over the past 6 and 12 months respectively, in SGD terms.

5. Market Overview

❑ Listed Equities

- ❑ The International Monetary Fund (“IMF”) projected a 3.0% and 2.9% global growth in 2023 and 2024 respectively. The global growth was expected to remain slow and uneven due to the long-term consequences of the pandemic, the war in Ukraine, trade restrictions, extreme weather events and the effects of monetary policy tightening necessary to reduce inflation.
- ❑ The IMF expected inflation to fall from 6.9% in 2023 to 5.8% in 2024 due to lower energy prices, easing labour markets and effectiveness of monetary tightening policies.
- ❑ Both U.S. and European markets posted strong returns in 2023 as investors anticipated lower interest rates. The U.S. equities had outperformed European equities at 27.1% and 20.7% respectively. The MSCI All Country World Index (ACWI), rose 4.86% and 21.0% in SGD terms over the past 6 and 12 months respectively.

5. Market Overview

❑ Listed Equities

- ❑ Generally, emerging markets underperformed developed markets with SGD total returns of MCSI Emerging Markets Index at 8.49% compared to MSCI World Index which grew 22.6%. This was due to the lacklustre performance of the China market, proxied by MSCI China Index which fell 12.55% in SGD terms.

5. Company Outlook

❑ **Future Direction and Growth Strategy of GIL**

- ❑ To grow its assets and seek new investments that will generate steady income and potential appreciation in capital to deliver regular dividends and achieve capital growth.
- ❑ Active management of GIL's assets with focus on optimising risk-adjusted asset returns.

❑ **Investment Objective**

- ❑ To seek investment opportunities in high yield credits, hybrid instruments, public and private equities, operating lease assets and securitisation assets.
- ❑ Given the current state of the financial markets, the Company will be selective and focus on fundamental bottom-up analysis, with preference for assets with defensive characteristics, and good cash flow generating ability.