



GLOBAL INVESTMENTS LIMITED

SGX Quarterly Report 30 June 2011

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This financial report has been prepared to enable the directors to comply with their obligations under the Singapore Exchange Securities Trading Limited Listing Rules and where relevant, to satisfy the requirements of the International Financial Reporting Standards. The responsibility for the preparation of the financial report and any financial information contained in this financial report rests solely with the directors of GIL.

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REVIEW OF GLOBAL INVESTMENTS LIMITED PERFORMANCE

PERFORMANCE REVIEW

QUARTER ENDED 30 JUNE 2011

STATEMENT OF COMPREHENSIVE INCOME

For the quarter, Global Investments Limited (“GIL” or “the Company”) and its subsidiaries collectively referred as “the Group” continued to show good results and recorded a net profit after tax of S\$4.3 million versus a loss after tax of S\$3.2 million for 2Q 2010. This is the fourth consecutive quarter that the Company has achieved a net profit after tax.

REVENUE

Revenue increased by 68.6% or S\$2.4 million to S\$5.9 million for this quarter from S\$3.5 million for 2Q 2010 mainly due to foreign exchange gains of S\$2.3 million from the strengthening of the Australian dollar and the Euro against the United States dollar and higher interest income received.

EXPENSES

Expenses fell by 79.7% to S\$1.3 million for this quarter from S\$6.4 million for 2Q 2010 mainly due to the absence of foreign exchange losses for this quarter and all-round reduction in other expenses.

OTHER COMPREHENSIVE INCOME

The Foreign Currency Translation Reserve suffered a further loss of S\$3.76 million for this quarter compared to a loss of S\$0.44 million for 2Q 2010 owing to the weakening of the United States dollar against the Singapore dollar.

HALF YEAR ENDED 30 JUNE 2011

STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 30 June 2011, the Group recorded a net profit after tax of S\$11.6 million versus a loss after tax of S\$6.8 million for 1H 2010.

REVENUE

Revenue increased by 105.6% or S\$7.5 million to S\$14.6 million for 1H 2011 from S\$7.1 million for 1H 2010 mainly due to foreign exchange gains of S\$3.8 million from the strengthening of the Australian dollar and the Euro against the United States dollar and profit on sale of Series Residuals of Newgate Funding 2006-3 plc of S\$2.6 million.

EXPENSES

Expenses fell by 80.5% to S\$2.6 million for 1H 2011 from S\$13.3 million for 1H 2010 mainly due to the absence of impairment expenses and foreign exchange losses for this half year. There was also all-round reduction in other expenses.

OTHER COMPREHENSIVE INCOME

The Available for Sale Financial Assets Revaluation Reserve increased by S\$2.7 million in 1H 2011 compared to S\$4.4 million in 1H 2010 while the Foreign Currency Translation Reserve suffered a loss of S\$6.0 million compared to a S\$0.6 million loss for 1H 2010 owing to the weakening of the United States dollar against the Singapore dollar. As a result, other comprehensive income decreased by S\$3.3 million in 1H 2011 compared to a gain of S\$3.8 million in 1H 2010.

STATEMENT OF FINANCIAL POSITION

AVAILABLE FOR SALE FINANCIAL ASSETS

As at 30 June 2011, Available for Sale Financial Assets increased to S\$26.4 million from S\$24.9 million as at 31 December 2010 owing to higher market valuation for Avoca VI M note and Avoca VII G note. The increase was partially offset by drop in the share price of Fly Leasing Limited.

LOANS AND RECEIVABLES

As at 30 June 2011, Loans and Receivables increased by S\$9.6 million to S\$74.2 million from S\$64.6 million as at 31 December 2010 owing to the acquisition of US CLO notes during this half year.

CASH AND CASH EQUIVALENTS

The increase in Cash and Cash Equivalents to S\$37.7 million as at 30 June 2011 from S\$20.1 million at 31 December 2010 was mainly due to the rights issue proceeds of S\$ 21.5 million, which was partially disbursed for the acquisition of US CLO notes during the half year ended 30 June 2011.

NET ASSET PER SHARE

The Net Asset Value per Share of the Group as at 30 June 2011 decreased from 31 cents as at 31 December 2010 to 28 cents due to the Rights Issue of 157.2 million new shares at 13.8 cents per share. If the Rights Issue had been completed before 31 December 2010, the Net Asset per Share as at 31 December 2010 would be 26 cents and not 31 cents. The Net Asset Value per Share of 28 cents as at 30 June 2011 represented an increase of 7.7% over that of 31 December 2010.

INVESTMENT PORTFOLIO

GIL was incorporated in Bermuda on 24 April 2006 and was subsequently registered as a mutual fund company. GIL was formed to invest in a diversified group of assets and economic exposures around the world.

The Group's investment portfolio at 30 June 2011 comprised the following assets and economic exposures:

OPERATING LEASES

Fly Leasing Limited ("Fly Leasing")

Fly Leasing is a Bermuda exempted company which has been listed on the New York Stock Exchange. It has a portfolio of commercial aircraft which are leased to commercial airlines. The Group holds 1,051,010 shares or 4.0% in Fly Leasing shares.

GIL Aircraft Lessor No. 2 ("GILAL 2")

GIL owns 100% equity of GILAL 2 which owns two Boeing 757-200 aircrafts leased to Thomson Airways Limited. The two leases mature on 30 April 2013 and have fixed monthly rentals over the remaining term of the leases.

Class A membership interest in BBRNA ("BBRNA")

BBRNA is a United States limited liability company formed to aggregate a number of North American railcar investments. The Group has a 41.5% interest in BBRNA which owns a portfolio of railcars on lease in North America.

Ascendos Investments Limited ("Ascendos")

Ascendos is a Guernsey company that owns Ascendos Rail Leasing S.à r.l. The Group has a 40.56% interest in Ascendos which currently owns and leases a portfolio of 238 rail equipment, consisting of 3 passenger train fleets, over 30 locomotives, and 100 freight wagons in mainland Europe.

LOAN PORTFOLIO AND SECURITISATION ASSETS

Pepper Residential Securities Trust No. 6 ("PRS 6")

PRS 6 is a securitisation vehicle which holds Australian non-conforming residential mortgage loans originated by Pepper Homeloans Pty Limited. The Group has invested in the Class E Notes.

Seiza Series 2006-1 Trust ("Seiza Warehouse")

Seiza Warehouse is a securitisation vehicle which holds Australian non-conforming residential and commercial mortgages originated by Seiza Mortgage Company Pty Limited. The Group has invested in the Class F Notes, Class G Notes and Senior NIM Notes. Payment to the NIM Notes depends on available excess spread.

Seiza Augustus Series 2007-1 Trust ("Seiza Augustus")

Seiza Augustus is a securitisation vehicle which holds Australian non-conforming residential and commercial mortgage loans originated by Seiza Mortgage Company Pty Limited. The Group has invested in the Class G Notes and Class N Notes. Payment to the Class N Notes depends on available excess spread.

Newgate Funding 2006-3 Plc

GIL has invested in 50% of Mortgage Early Repayment Certificates ("MERCs") issued by Newgate Funding 2006-3 Plc, which is a securitisation vehicle holding UK non-conforming mortgages originated by Mortgages Plc. The MERC payments come from prepayment penalties paid by borrowers in the mortgage pool.

Avoca CLO VI Plc ("Avoca VI") Investment

Avoca VI is a European collateralised loan obligation ("CLO") vehicle which is secured by collateral consisting of European senior secured and second lien loans managed by Avoca Capital Holdings ("Avoca"). The Group has invested in the subordinated note.

Avoca CLO VII Plc (“Avoca VII”) Investment

Avoca VII is a European CLO vehicle which is secured by collateral consisting of European senior secured, second lien, and mezzanine loans managed by Avoca. The Group has invested in the Class F notes and Class G note, the latter being the subordinated note.

US Residential Mortgage-Backed Securities (“US RMBS”)

GIL is invested in a portfolio of senior notes of US RMBS, which are securitisation vehicles that hold US residential mortgage loans.

US Collateralised Loan Obligations (“US CLOs”)

GIL is invested in a portfolio of mezzanine tranches of US CLOs, which are securitisation vehicles that hold collateral consisting of mainly US broadly syndicated senior secured corporate loans.

ALTERNATIVE ASSETS

The Group currently does not hold any investments in the Alternative Asset class.

BUSINESS OUTLOOK¹

TARGETED ASSET CLASSES

Operating Lease Assets

The International Air Transport Association (“IATA”) reduced its 2011 profit forecast for the airline industry from US\$8.6 billion in its March forecast to US\$4 billion in June as a result of demand shocks from the Japan earthquake and ensuing nuclear crisis, as well as turmoil in the Middle East & North Africa region. Additionally, jet kerosene price rose in tandem with the USD 20 rise in oil prices. For 2011, IATA predicted that passenger and cargo traffic may rise 4.4% and 5.5%, respectively. The outlook for the aircraft lessor industry has improved since the worst period of the global financial crisis but continues to face risks including rising fuel and financing costs.

The Association of American Railroads (the “AAR”) Rail Time Indicators report showed that in 2Q11, US rail carloads rose just 0.5% over 2Q10, much weaker than the 5.1% growth in 1Q11 over 1Q10, due to decrease in coal transportation. The soft patch in rail carloads growth was a function of the weak economy and other transitory factors such as tornados and floods, higher gasoline prices, as well as the impact of supply chain disruptions due to the Japan earthquakes. Resulting from low growth, railcars in storage decreased only marginally from 18.7% to 18.2% of the North American fleet in 2Q11.

In Europe, incumbent rail operators saw better profitability in 2010 with higher revenues as compared with 2009. Freight volumes have continued to improve, providing support for higher lease rates for locomotives and demand for freight cars. Demand for passenger trains remained positive as the opening up of passenger markets in 2010 is driving a more competitive rail sector, which could see more private operators tendering for passenger services, and an increase in demand for passenger trains.

Loan Portfolio and Securitisation Assets

In Australia, according to the RP Data-Rismark Home Value Index, capital city dwelling values declined 0.2% seasonally-adjusted (“sa”) in June and were down 0.9% sa over the last 3 months. Housing demand picked up in the months of April and May, as the number of housing loan approvals increased by 4.6% and 4.4% month-on-month (“m-o-m”), respectively, after three consecutive months of decline in 1Q11. The increase in demand could possibly be due to improvement in housing affordability and flood disruptions subsiding. Overall, the housing market should continue to be supported by the increase in demand, low unemployment and tight housing supply.

Prices of US leveraged loans fell during the second quarter. However, the leveraged loan default rate continued to remain at very low levels. The base outlook for 2011 is a benign default rate of about 1.34%. In addition, the high level of repayments is expected to continue for the rest of 2011 as issuers look to tap the high yield capital market and refinance the existing loans.

In the US, the housing market continued to be weak as sales of existing homes decreased consecutively for 3 months to a seven-month low of 4.77 million in June 2011. Sales of new homes also decreased 1.0% m-o-m in June. The S&P/Case-Shiller 20-City Home Price Index showed a second consecutive monthly increase of 1.0% in May. However, on a year-on-year basis, the Index declined 4.5% - the most in 18 months. Home prices are likely to remain under pressure given the high inventory of unsold homes. In addition, foreclosure activity, which had plunged, may begin to increase as lenders and servicers process the thousands of foreclosures that have been delayed due to improperly processed paperwork.

The performance of the UK residential market continued to soften moderately. House prices in 2Q11 were 0.5% lower than in 1Q11, and the risks of further declines should not be ruled out due to persistent economic uncertainty. The low interest rate environment has reduced the mortgage debt service burden for borrowers, limiting the number of home repossessions, and at the same time increasing affordability for new home buyers.

Performance of the European leveraged loan market was impacted by Eurozone sovereign debt issues although fundamentals of underlying borrowers continued to remain strong. With the current low interest rate environment and resilient underlying company fundamentals, the base outlook for 2011 is a benign default level in the 2-3% range. Increased volatility is expected due to Eurozone debt problems but the risk of a significant sell-off is low given the low aggregate level of leverage in the system and improving borrower fundamentals.

Alternative Assets

The Group currently does not hold any investments in the Alternative Asset class.

Summary

On 5th August 2011, Standard & Poor downgraded the US credit rating from AAA to AA+ while Moody and Fitch continue to maintain their ratings.

The Company will continue to actively manage its assets and the associated risks with the view to enhance returns to shareholders. The Company will also seek investment opportunities in targeted asset classes that fit the investment objectives of the Company.

¹ Commentary sourced from various sources including independent financial institution economic reports.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Quarter ended 30 Jun 11 S\$'000	Group Year to date 30 Jun 11 S\$'000	Group Quarter ended 30 Jun 10 S\$'000	Group Year to date 30 Jun 10 S\$'000
Revenue				
Distribution income	(10)	616	-	-
Dividend income	258	525	292	587
Interest income	2,134	4,669	1,851	3,829
Rental income	1,168	2,375	1,318	2,651
Net foreign exchange gains	2,332	3,848	-	-
Gain on sale of investment	-	2,550	-	-
Total revenue	5,882	14,583	3,461	7,067
Expenses				
Management fees	(233)	(398)	(201)	(396)
Net foreign exchange losses	-	-	(4,693)	(3,516)
Depreciation and amortisation	(318)	(647)	(358)	(721)
Finance costs	(329)	(678)	(408)	(830)
Impairment expenses	-	-	35	(6,197)
Other operating expenses	(469)	(875)	(819)	(1,675)
Total expenses	(1,349)	(2,598)	(6,444)	(13,335)
Profit/(Loss) before tax	4,533	11,985	(2,983)	(6,268)
Income tax expense	(204)	(357)	(234)	(515)
Profit/(Loss) after tax	4,329	11,628	(3,217)	(6,783)
Other comprehensive income/(loss)				
Available for sale financial assets revaluation reserve	(153)	2,696	29	4,362
Foreign currency translation reserve	(3,761)	(6,019)	(435)	(610)
Other comprehensive (loss)/income for the period after tax	(3,914)	(3,323)	(406)	3,752
Total comprehensive income/(loss) for the period attributable to shareholders	415	8,305	(3,623)	(3,031)
Basic earnings/(loss) per share (cents per share)	0.79	2.35	(0.75)	(1.59)
Diluted earnings/(loss) per share (cents per share)	0.79	2.35	(0.75)	(1.59)

STATEMENT OF FINANCIAL POSITION

	Group As at 30 Jun 11 S\$'000	Group As at 31 Dec 10 S\$'000	Company As at 30 Jun 11 S\$'000	Company As at 31 Dec 10 S\$'000
Non-current assets				
Aircraft	30,779	32,793	-	-
Investment in subsidiaries	-	-	93,940	89,862
Loans and receivables	74,150	64,596	-	-
	<u>104,929</u>	<u>97,389</u>	<u>93,940</u>	<u>89,862</u>
Current assets				
Cash and cash equivalents	37,662	20,149	18,046	8,501
Available for sale financial assets	26,445	24,900	-	-
Intercompany receivables	-	-	40,085	26,239
Other assets	420	1,029	212	56
	<u>64,527</u>	<u>46,078</u>	<u>58,343</u>	<u>34,796</u>
Total assets	<u>169,456</u>	<u>143,467</u>	<u>152,283</u>	<u>124,658</u>
Liabilities				
Interest bearing liabilities	16,989	18,662	-	-
Other liabilities	846	2,985	662	2,838
Total liabilities	<u>17,835</u>	<u>21,647</u>	<u>662</u>	<u>2,838</u>
Net assets attributable to shareholders	<u>151,621</u>	<u>121,820</u>	<u>151,621</u>	<u>121,820</u>
Equity				
Share capital	415,418	393,922	415,418	393,922
Available for sale financial assets revaluation reserve	23,855	21,159	-	-
Translation reserve	(52,220)	(46,201)	(54,829)	(48,835)
Accumulated losses	(235,432)	(247,060)	(208,968)	(223,267)
Total equity	<u>151,621</u>	<u>121,820</u>	<u>151,621</u>	<u>121,820</u>
Net asset per share (S\$ per share)	0.28	0.31*	0.28	0.31*

* If the Rights Issue had been completed before 31 December 2010, the Net Asset per Share as at 31 December 2010 would be 26 cents and not 31 cents. The Net Asset Value per Share of 28 cents as at 30 June 2011 represented an increase of 7.7% over that of 31 December 2010.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Quarter ended 30 Jun 11 S\$'000	Group Year to date 30 Jun 11 S\$'000	Group Quarter ended 30 Jun 10 S\$'000	Group Year to date 30 Jun 10 S\$'000
Cash flows from operating activities				
Operating costs	(801)	(1,722)	(1,724)	(4,967)
Interest income	2,260	4,546	1,447	3,836
Distribution income	155	1,516	-	-
Dividend income	208	421	292	587
Rental income	1,166	2,386	1,318	2,664
Income tax paid	(203)	(357)	(234)	(515)
Net cash inflow from operating activities	2,785	6,790	1,099	1,605
Cash flows from investing activities				
Purchase of financial assets	(11,990)	(11,990)	(10,260)	(10,260)
Loan repayments received	1,159	2,163	797	1,469
Proceeds from sale of Newgate Funding 2006-3 plc	-	2,550	-	-
Net cash outflow from investing activities	(10,831)	(7,277)	(9,463)	(8,791)
Cash flows from financing activities				
Net repayments of borrowings	(449)	(904)	(470)	(937)
Borrowing costs paid	(323)	(667)	(400)	(824)
Proceed from rights issues	-	21,694	-	-
Payment of rights issues expenses	(79)	(198)	-	-
Dividends paid	-	(1,965)	-	(3,926)
Net cash (outflow)/inflow from financing activities	(851)	17,960	(870)	(5,687)
Net (decrease)/increase in cash and cash equivalents	(8,897)	17,473	(9,234)	(12,873)
Cash and cash equivalents at beginning of period	46,504	20,149	23,253	27,499
Effects of exchange rate changes on cash and cash equivalents	55	40	58	(549)
Cash and cash equivalents at end of period	37,662	37,662	14,077	14,077

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity of the Group for the quarter and half year ended 30 June 2011	Share capital S\$'000	Available for sale financial assets revaluation reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Total equity as at 1 January 2011	393,922	21,159	(46,201)	(247,060)	121,820
Total comprehensive income/(loss) for the 1st quarter ended 31 March 2011	-	2,849	(2,258)	7,299	7,890
Issuance of rights shares	21,496	-	-	-	21,496
Total equity as at 31 March 2011	415,418	24,008	(48,459)	(239,761)	151,206
Total comprehensive (loss)/income for the 2nd quarter ended 30 June 2011	-	(153)	(3,761)	4,329	415
Total equity as at 30 June 2011	415,418	23,855	(52,220)	(235,432)	151,621

Changes in shareholders' equity of the Group for the quarter and half year ended 30 June 2010	Share capital S\$'000	Available for sale financial assets revaluation reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Total equity as at 1 January 2010	393,844	10,496	(35,245)	(249,708)	119,387
Total comprehensive income/(loss) for the 1st quarter ended 31 March 2010	-	4,333	(175)	(3,566)	592
Total equity as at 31 March 2010	393,844	14,829	(35,420)	(253,274)	119,979
Issuance of shares to manager	78	-	-	-	78
Total comprehensive income/(loss) for the 2nd quarter ended 30 June 2010	-	29	(435)	(3,217)	(3,623)
Total equity as at 30 June 2010	393,922	14,858	(35,855)	(256,491)	116,434

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

Changes in shareholders' equity of the Company for the quarter and half year ended 30 June 2011	Share capital S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Total equity as at 1 January 2011	393,922	(48,835)	(223,267)	121,820
Total comprehensive (loss)/income for the 1st quarter ended 31 March 2011	-	(2,283)	10,173	7,890
Issuance of rights shares	21,496	-	-	21,496
Total equity as at 31 March 2011	415,418	(51,118)	(213,094)	151,206
Total comprehensive (loss)/income for the 2nd quarter ended 30 June 2011	-	(3,711)	4,126	415
Total equity as at 30 June 2011	415,418	(54,829)	(208,968)	151,621

Changes in shareholders' equity of the Company for the quarter and half year ended 30 June 2010	Share capital S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Total equity as at 1 January 2010	393,844	(37,770)	(236,687)	119,387
Total comprehensive (loss)/income for the 1st quarter ended 31 March 2010	-	(188)	780	592
Total equity as at 31 March 2010	393,844	(37,958)	(235,907)	119,979
Issuance of shares to manager	78	-	-	78
Total comprehensive loss for 2nd quarter ended 30 June 2010	-	(405)	(3,218)	(3,623)
Total equity as at 30 June 2010	393,922	(38,363)	(239,125)	116,434

ACCOUNTING POLICIES APPLICATION

Accounting policies and methods of computation applied in preparation of these figures that are not stated in this report are the same as those used in the most recently audited annual financial statements of the Group and the Company.

DIVIDENDS

The Company is declaring a 2011 interim dividend of 0.75 cents per Share in respect of the period from 1 January 2011 to 30 June 2011. The 2011 interim dividend is expected to be paid on 12 September 2011.

The 2010 interim dividend of 0.5 cents per Share in respect of the period from 1 January 2010 to 30 June 2010 amounting to S\$1.97 million was paid on 15 September 2010.

	Interim dividend 2011	Final dividend 2010
Ordinary shares		
Dividends per Share (cents)	0.75	0.50
Dividends paid/declared (S\$'000)	4,127	1,965

CHANGES IN SHARE CAPITAL

The movement in the number of issued and fully paid-up ordinary shares for the quarter and half year ended 30 June 2011 is as follows:

	<u>No. of shares</u>
At 1 January 2011	393,006,086
Issuance of shares on 24 March 2011	<u>157,202,434</u>
At 30 June 2011	<u>550,208,520</u>

On 30 December 2010, the Company announced a renounceable non-underwritten Rights Issue on the basis of two rights shares for every five ordinary shares in the capital of the Company. Pursuant to the Rights Issue, on 24 March 2011, the Company issued and allotted 157,202,434 new ordinary shares in the capital of the Company. The Rights Shares were offered at \$0.138 per share.

UPDATES ON THE PROCEEDS FROM RIGHTS ISSUES

The net proceeds from the Rights Issue of S\$21.49 million after deducting expenses of S\$197,601 were invested in the following financial assets:

	Amount (In S\$ million)
Net proceeds from the Rights Issue	21.49
Purchase of Class D floating rate notes of Goldentree Loan Opportunities IV Limited	(3.94)
Purchase of Class B1L floating rate notes of Summit Lake CLO Limited	(2.12)
Purchase of Class D floating rate notes of BMI CLO I	(2.71)
Purchase of Class E floating rate notes of ALM IV, Ltd.	(3.27)
Balance of net proceeds from the Rights Issue	<u>9.45</u>

The balance of S\$9.45 million is placed in short term deposits, pending identification of suitable investments.

NET ASSET VALUE

	Group As at 30 Jun 11	Group As at 31 Dec 10	Company As at 30 Jun 11	Company As at 31 Dec 10
Net asset value				
Total net asset value (S\$'000)	151,621	121,820	151,621	121,820
Total number of ordinary shares on issue used in calculation of net asset value per share ('000)	550,208	393,006	550,208	393,006
Net asset value per ordinary share (S\$ per share)	<u>0.28</u>	<u>0.31</u>	<u>0.28</u>	<u>0.31</u>

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

EARNINGS PER SHARE

	Group Quarter ended 30 Jun 11	Group Year to date 30 Jun 11	Group Quarter ended 30 Jun 10 (restated)	Group Year to date 30 Jun 10 (restated)
Basic earnings/(loss) per share				
Earnings/(Loss) used in calculation of basic earnings/(loss) per share (S\$'000)	4,329	11,628	(3,217)	(6,783)
Weighted average number of shares on issue used in calculation of basic earnings/(loss) per share ('000)	550,208	494,251	426,363	426,328
Basic earnings/(loss) per share (cents per share)	0.79	2.35	(0.75)	(1.59)
Diluted earnings/(loss) per share				
Diluted earnings/(loss) used in calculation of diluted earnings/(loss) per share (S\$'000)	4,329	11,628	(3,217)	(6,783)
Weighted average number of shares on issue used in calculation of diluted earnings/(loss) per share ('000)	550,208	494,251	426,692	426,592
Diluted earnings/(loss) per share (cents per share) ¹	0.79	2.35	(0.75)	(1.59)

¹ In future period, shares may be issued to the Manager in lieu of management fees otherwise payable in cash. This will have a dilutive effect on Earnings per Share.

In March 2011, the Company issued and allotted 157,202,434 new ordinary shares in the capital of the Company pursuant to a renounceable non-underwritten Rights Issue on the basis of two Rights Shares for every five existing ordinary shares in the capital of the Company. The Rights Shares were offered at \$0.138 per share and represented a discount to the fair value of existing shares. The number of shares used for prior period calculation of earnings per share was adjusted for the discounted Rights Issue in order to provide a comparable basis for the current year. An adjustment factor of 1.086 was applied based on the Company's share price of \$0.19 per share on 22nd February 2011, the last day on which the existing ordinary shares were traded together with the rights to exercise the Rights Shares on the Singapore Exchange Securities Trading Limited, and the theoretical ex-rights price at that date of \$0.175 per share. In addition, the impact of the issuance of Rights Shares had also resulted in an adjustment to the prior period comparable.

INTEREST BEARING LIABILITIES

	Group as at 30 Jun 11 S\$'000	Group as at 31 Dec 10 S\$'000
Term loans	16,989	18,662
Total interest bearing liabilities	16,989	18,662
Amount repayable in one year or less, or on demand	1,878	1,889
Amount repayable after one year	15,111	16,773
Total interest bearing liabilities	16,989	18,662
Amount secured	16,989	18,662
Amount unsecured	-	-
Total interest bearing liabilities	16,989	18,662

The term loans are secured against the two Boeing 757-200 aircraft leased to Thomson Airways Limited and the shares in Fly Leasing Limited.

AUDIT OR REVIEW

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

SUBSEQUENT EVENT

On 3rd August 2011, the Company sold its investment in American Home Mortgage Investment Trust 2005-4 RMBS for US\$1.16 million. The investment was acquired at a cost of US\$1.67 million in June 2010, and the Company received capital repayment and interest income totalling US\$1.43 million during the investment period prior to the sale.

The Company will record a net profit of US\$0.85 million on this disposal in the 3Q 2011 report.

CONFIRMATION OF THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

On behalf of the Board of Directors of Global Investments Limited, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the quarter and half year ended 30 June 2011 to be false or misleading in any material respect.

On behalf of the Board of Directors

Boon Swan Foo
Chairman
12 August 2011

Tan Mui Hong
Deputy Chairman
12 August 2011