



# GLOBAL INVESTMENTS LIMITED<sup>1</sup>

**Condensed consolidated interim financial information (Unaudited)  
30 June 2010**

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<sup>1</sup> On 30 April 2009, the Company changed its name from Babcock & Brown Global Investments Limited to Global Investments Limited.

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## STATEMENT BY DIRECTORS

In the opinion of the Directors, the accompanying condensed statement of financial position of the Company as of 30 June 2010 and the related condensed statements of changes in equity of the Company for the three-month and the six-month period then ended, the condensed consolidated statement of financial position of the Group as of 30 June 2010 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows of the Group for the three-month and the six-month period then ended and other explanatory notes, are prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

On behalf of the Board of Directors

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Boon Swan Foo  
Chairman  
10 August 2010

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Goh Mui Hong  
Deputy Chairman  
10 August 2010

## CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	Group As at 30 Jun 10 S\$'000	Company As at 30 Jun 10 S\$'000	Group As at 31 Dec 09 S\$'000	Company As at 31 Dec 09 S\$'000
<b>Non current assets</b>					
Aircrafts		36,386	-	37,294	-
Investment in subsidiary		-	100,331	-	97,803
Loans and receivables		68,242	-	68,373	-
		<u>104,628</u>	<u>100,331</u>	<u>105,667</u>	<u>97,803</u>
<b>Current assets</b>					
Cash and cash equivalents <sup>1</sup>		14,077	12,550	27,499	19,511
Available for sale financial assets		19,691	-	16,096	-
Intercompany receivable		-	4,218	-	8,430
Other assets		377	201	268	67
		<u>34,145</u>	<u>16,969</u>	<u>43,863</u>	<u>28,008</u>
<b>Total assets</b>		<u>138,773</u>	<u>117,300</u>	<u>149,530</u>	<u>125,811</u>
<b>Liabilities</b>					
Interest bearing liabilities	5	21,289	-	22,317	-
Other liabilities	6	1,050	866	7,826	6,424
<b>Total liabilities</b>		<u>22,339</u>	<u>866</u>	<u>30,143</u>	<u>6,424</u>
<b>Net assets attributable to shareholders</b>		<u>116,434</u>	<u>116,434</u>	<u>119,387</u>	<u>119,387</u>
<b>Equity</b>					
Share capital	4	393,922	393,922	393,844	393,844
Available for sale financial asset revaluation reserve		14,858	-	10,496	-
Translation reserves		(35,855)	(38,363)	(35,245)	(37,770)
Accumulated losses		(256,491)	(239,125)	(249,708)	(236,687)
<b>Total equity</b>		<u>116,434</u>	<u>116,434</u>	<u>119,387</u>	<u>119,387</u>
<b>Net assets per share (S\$ per share)</b>		<b>0.30</b>	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>

<sup>1</sup> Cash and cash equivalents of the Group at 31 December 2009 includes US\$3.0 million (S\$4.2 million) of restricted cash as the lender bank had asserted its security interest on the amount. Following the amicable settlement with the bank, this amount has been released to the Company in 1Q10.

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Quarter ended 30 Jun 10 S\$'000	Group Half year ended 30 Jun 10 S\$'000	Group Quarter ended 30 Jun 09 S\$'000	Group Half year ended 30 Jun 09 S\$'000
Note				
Revenue				
Distribution income	-	-	282	475
Dividend income	292	587	306	627
Interest income	1,851	3,829	2,669	6,058
Gain on sale of investment	-	-	2,031	2,031
Rental income	1,318	2,651	1,383	2,832
Net foreign exchange gains	-	-	16,069	15,779
Royalty income	-	-	(360)	1,357
Total revenue	3,461	7,067	22,380	29,159
Expenses				
Management fees	(201)	(396)	(284)	(607)
Net foreign exchange losses	(4,693)	(3,516)	-	-
Depreciation and amortisation	(358)	(721)	(414)	(1,328)
Finance costs	(408)	(830)	(1,800)	(4,240)
Impairment expense	7 35	(6,197)	382	(33,942)
Other operating expenses	8 (819)	(1,675)	(2,202)	(3,716)
Total expenses	(6,444)	(13,335)	(4,318)	(43,833)
(Loss) / Profit before tax	(2,983)	(6,268)	18,062	(14,674)
Income tax expense	9 (234)	(515)	(162)	(2,922)
(Loss) / Profit after tax	(3,217)	(6,783)	17,900	(17,596)
Other comprehensive income / (loss)				
Available for sale financial assets revaluation reserve (movement)	29	4,362	6,358	6,580
Foreign currency translation reserve (movement)	(435)	(610)	(7,599)	1,398
Other comprehensive (loss) / income for the period after tax	(406)	3,752	(1,241)	7,978
Total comprehensive (loss) / income for the period attributable to shareholders	(3,623)	(3,031)	16,659	(9,618)
Basic (loss) / earnings per share (cents per share)	(0.82)	(1.73)	4.56	(4.48)
Diluted (loss) / earnings per share (cents per share)	(0.82)	(1.73)	4.56	(4.48)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

Changes in shareholders' equity of the Group for the quarter and half year ended 30 June 2010	Note	Share capital S\$'000	Available for sale financial assets revaluation reserve S\$'000	Translation reserves 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
Issue of shares to manager	4	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

Changes in shareholders' equity of the Group for the quarter and half year ended 30 June 2009	Note	Share capital S\$'000	Available for sale financial assets revaluation reserve S\$'000	Consolidation reserve S\$'000 *	Translation reserves S\$'000	Retained earnings S\$'000	Total S\$'000
Total equity as at 1 January 2009		393,844	(1,044)	(57,745)	(32,350)	(146,319)	156,386
Total comprehensive income / (loss) for the 1st quarter ended 31 March 2009		-	222	-	8,997	(35,496)	(26,277)
Total equity as at 31 March 2009		393,844	(822)	(57,745)	(23,353)	(181,815)	130,109
Total comprehensive income / (loss) for the 2nd quarter ended 30 June 2009		-	6,358	-	(7,599)	17,900	16,659
Dividend for the period	11	-	-	-	-	(7,854)	(7,854)
Total equity as at 30 June 2009		393,844	5,536	(57,745)	(30,952)	(171,769)	138,914

\* The consolidation reserve was transferred to be included as part of retained earnings in 4Q 2009. This transfer does not have an impact to the net assets attributable to shareholders.

The above condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

<b>Changes in shareholders' equity of the Company for the quarter and half year ended 30 June 2010</b>	<b>Note</b>	<b>Share capital S\$'000</b>	<b>Translation reserves S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>
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
Issue of shares to manager	4	78	-	-	78
Total comprehensive (loss) for the 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

<b>Changes in shareholders' equity of the Company for the quarter and half year ended 30 June 2009</b>	<b>Note</b>	<b>Share capital S\$'000</b>	<b>Translation reserves S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>
Total equity as at 1 January 2009		393,844	(35,019)	(202,439)	156,386
Total comprehensive income / (loss) for the 1st quarter ended 31 March 2009		-	9,296	(35,573)	(26,277)
Total equity as at 31 March 2009		393,844	(25,723)	(238,012)	130,109
Total comprehensive (loss) / income for the 2nd quarter ended 30 June 2009		-	(7,808)	24,467	16,659
Dividend for the period	11	-	-	(7,854)	(7,854)
Total equity as at 30 June 2009		393,844	(33,531)	(221,399)	138,914

The above condensed interim statement of changes in equity should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Note	Group Quarter ended 30 Jun 10 S\$'000	Group Half year ended 30 Jun 10 S\$'000	Group Quarter ended 30 Jun 09 S\$'000	Group Half year ended 30 Jun 09 S\$'000
Cash flows from operating activities				
Operating costs	(1,724)	(4,967)	(8,211)	(9,963)
Interest income	1,447	3,836	3,177	6,354
Distribution income	-	-	282	475
Dividend income	292	587	306	627
Rental income	1,318	2,664	1,397	2,861
Income tax paid	(234)	(515)	(222)	(351)
Royalty income	-	-	-	3,027
Net cash inflow / (outflow) from operating activities	1,099	1,605	(3,271)	3,030
Cash flows from investing activities				
Purchase of financial assets	(10,260)	(10,260)	-	-
Net sale of intangible assets	-	-	67,245	67,245
Loan repayments received	797	1,469	6,819	13,214
Net cash (outflow) / inflow from investing activities	(9,463)	(8,791)	74,064	80,459
Cash flows from financing activities				
Net repayments of borrowings	(470)	(937)	(81,331)	(142,324)
Borrowing costs paid	(400)	(824)	(691)	(3,162)
Dividends paid	-	(3,926)	-	-
Net cash outflow from financing activities	(870)	(5,687)	(82,022)	(145,486)
Net decrease in cash and cash equivalents	(9,234)	(12,873)	(11,229)	(61,997)
Cash and cash equivalents at beginning of period	23,253	27,499	31,343	80,224
Effects of exchange rate changes on cash and cash equivalents	58	(549)	5,012	6,899
Unrestricted cash and cash equivalents at end of period	14,077	14,077	25,126	25,126
Restricted cash and cash equivalents	-	-	4,341	4,341
Cash and cash equivalents at end of period	14,077	14,077	29,467	29,467

Cash and cash equivalents of the Group at 30 June 2009 includes US\$3.0 million (S\$4.3 million) of restricted cash as the lender bank had asserted its security interest on the amount. Following the amicable settlement with the bank, this amount has been released to the Company in 1Q10.

## SELECTED NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1. General Information

Global Investments Limited (“GIL” or the “Company”) was incorporated on 24 April 2006 as a mutual fund company limited by shares. The current address of its registered office is Penboss Building, 2<sup>nd</sup> Floor, 50 Parliament Street Hamilton HM 12 Bermuda. The Company and its subsidiaries together are referred to in this condensed consolidated interim financial information (“this report”) as “the Group”.

The Company is incorporated and domiciled in Bermuda and is publicly traded on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”).

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

GIL was managed by Babcock & Brown Global Investments Management Pty Limited (“BBGIM”) from 1 January 2009 to 25 November 2009 and ST Asset Management Ltd (“STAM”) from 25 November 2009 onwards. As such, the managers are individually responsible for the preparation and maintenance of accounting and other records for the respective periods in which they have acted as managers of GIL.

The condensed consolidated interim financial statements were authorised for issue in accordance with a directors’ resolution dated 10 August 2010.

### 2. Accounting Policies Application

This condensed consolidated interim financial information for the half-year ended 30 June 2010 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and should be read in conjunction with the annual financial statements for the financial year ended 31 December 2009.

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 Company and the Group.

### 3. Segment Reporting

#### Description of segments

The Board considers the Group from both an asset class and geographic perspective and has identified nine reportable segments. The asset classes consist of Operating Lease Assets, Loan Portfolio and Securitisation Assets and Alternative Assets. These asset classes are disaggregated into the geographical segments of the United Kingdom and Europe, the United States and Australia. Geographical segment is assessed by reference to currency.

Although the Alternative Assets segment does not meet the quantitative thresholds required by IFRS 8 at 30 June 2010, the Group has concluded that this segment should be reported, as financial information on this segment continues to be reported to the Board.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION - UNAUDITED**

30 June 2010



**Segment information provided to the Board**

The segment information provided to the Board for the reportable segments for the half year ended 30 June 2010 is as follows:

Group for the half year ended 30 June 2010	Operating Lease Assets			Loan Portfolio and Securitisation Assets			Alternative Assets			Other S\$'000	Total S\$'000
	UK and Europe S\$'000	United States S\$'000	Australia S\$'000	UK and Europe S\$'000	United States S\$'000	Australia S\$'000	UK and Europe S\$'000	United States S\$'000	Australia S\$'000		
Total segment revenue from continuing activities	-	3,237	-	227	32	3,530	-	-	-	41	7,067
Segment profit / (loss) from continuing activities before tax	-	1,667	-	(851)	32	(4,833)	-	-	-	(2,283)	(6,268)
<b>Group for the half year ended 30 June 2009</b>											
Total segment revenue from continuing activities	441	3,459	-	667	-	16,015	3,798	1,958	1	2,820	29,159
Segment profit / (loss) from continuing activities before tax	440	(25,160)	-	(3,201)	-	11,374	2,011	827	1	(966)	(14,674)
<b>Total segment assets</b>											
30 June 2010	-	51,657	-	11,237	10,185	51,413	-	-	-	14,281	138,773
31 December 2009	-	50,681	-	10,914	-	60,370	-	-	-	27,565	149,530

The Board assesses the performance of the operating segments based on the measure of segment profit / (loss) from continuing activities before income tax. This measure is currently the same as profit / (loss) before income tax from continuing operations.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION - UNAUDITED**

30 June 2010

**4. Share Capital**

	Company Number of shares '000	Par value S\$	Company Share capital S\$'000
<b>Authorised share capital</b>			
Authorised share capital as at 1 January 2009	69,607,362	0.01	696,074
Movements in period to 30 June 2009	-	0.01	-
Movements in period 1 July 2009 to 31 December 2009	-	0.01	-
Movements in year to 31 December 2009	-	0.01	-
<b>Balance as at 31 December 2009</b>	<b>69,607,362</b>	<b>0.01</b>	<b>696,074</b>
Movements in period to 30 June 2010	(368)	0.01	(4)
<b>Total available authorised share capital for issue as at 30 June 2010</b>	<b>69,606,994</b>	<b>0.01</b>	<b>696,070</b>

	Company Number of shares '000	Share capital at par value S\$'000	Share premium reserve S\$'000	Company Share capital S\$'000
<b>Issued and fully paid shares</b>				
Opening balance as at 1 January 2009	392,638	3,926	389,918	393,844
Movements in period to 30 June 2009	-	-	-	-
Movements in period 1 July 2009 to 31 December 2009	-	-	-	-
Movements in year to 31 December 2009	-	-	-	-
<b>Total share capital as at 31 December 2009</b>	<b>392,638</b>	<b>3,926</b>	<b>389,918</b>	<b>393,844</b>
Issue of ordinary shares – reinvestment of management fees	368	4	74	78
Movements in period to 30 June 2010	368	4	74	78
<b>Total share capital as at 30 June 2010</b>	<b>393,006</b>	<b>3,930</b>	<b>389,992</b>	<b>393,922</b>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of the shares held. Each shareholder is entitled to one vote for each share held on all matters submitted to a vote of shareholders.

All shares issued rank parri passu with previously issued shares.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION - UNAUDITED**

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**5. Interest bearing liabilities**

	Group as at 30 Jun 10 S\$'000	Company as at 30 Jun 10 S\$'000	Group as at 31 Dec 09 S\$'000	Company as at 31 Dec 09 S\$'000
Term loans	21,289	-	22,317	-
<b>Total interest bearing liabilities</b>	<b>21,289</b>	<b>-</b>	<b>22,317</b>	<b>-</b>
Amount repayable in one year or less, or on demand	1,980	-	1,918	-
Amount repayable after one year	19,309	-	20,399	-
<b>Total interest bearing liabilities</b>	<b>21,289</b>	<b>-</b>	<b>22,317</b>	<b>-</b>
Amount secured	21,289	-	22,317	-
<b>Total interest bearing liabilities</b>	<b>21,289</b>	<b>-</b>	<b>22,317</b>	<b>-</b>

The term loans are secured against the two Boeing 757-200 aircrafts leased to Thomson Airways Limited (formerly known as Thomsonfly Limited) and shares in Fly Leasing Limited.

**6. Other liabilities**

	Group as at 30 Jun 10 S\$'000	Company as at 30 Jun 10 S\$'000	Group as at 31 Dec 09 S\$'000	Company as at 31 Dec 09 S\$'000
Base management fees payable to the Manager	183	183	94	94
Dividend payable	-	-	3,926	3,926
Other payables	867	683	2,544	2,404
Provision of settlement amount due to Bank of Ireland	-	-	1,262	-
<b>Total other liabilities</b>	<b>1,050</b>	<b>866</b>	<b>7,826</b>	<b>6,424</b>

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION - UNAUDITED**

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**7. Impairment expense**

	Group Quarter ended 30 Jun 10 S\$'000	Group Half year ended 30 Jun 10 S\$'000	Group Quarter ended 30 Jun 09 S\$'000	Group Half year ended 30 Jun 09 S\$'000
Class A Membership Interest in BBRNA	-	-	-	22,919
Investment in Fly Leasing Limited (formerly known as Babcock & Brown Air Limited)	-	-	-	3,933
Seiza Augustus Note Investment – G Note	-	-	-	3,221
Avoca VII CLO Investment – F Note	-	-	-	2,194
Avoca VII CLO Investment – G Note	-	-	-	1,338
Avoca VI CLO Investment – M Note	-	-	-	337
Seiza Augustus Series 2007-1 Trust G Note	-	3,388	-	-
Seiza Series 2006-1 Trust (Warehouse) G Note	-	2,809	-	-
Impact of movement in foreign exchange rates <sup>1</sup>	(35)	-	(382)	-
<b>Total other operating expenses</b>	<b>(35)</b>	<b>6,197</b>	<b>(382)</b>	<b>33,942</b>

<sup>1</sup> Reflects the movement in the base currencies of the Group's investments during the quarter.

**8. Other operating expenses**

	Group Quarter ended 30 Jun 10 S\$'000	Group Half year ended 30 Jun 10 S\$'000	Group Quarter ended 30 Jun 09 S\$'000	Group Half year ended 30 Jun 09 S\$'000
Professional fees	526	1,136	1,808	2,969
Investor relations expenses	67	111	120	132
Directors fees	77	183	71	109
Music copyright performance-based expenses	-	-	19	267
Other expenses	149	245	184	239
<b>Total other operating expenses</b>	<b>819</b>	<b>1,675</b>	<b>2,202</b>	<b>3,716</b>

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION - UNAUDITED**

30 June 2010

**9. Income tax expense**

	Group Quarter ended 30 Jun 10 S\$'000	Group Half year ended 30 Jun 10 S\$'000	Group Quarter ended 30 Jun 09 S\$'000	Group Half year ended 30 Jun 09 S\$'000
<b>Income tax expense</b>				
Current tax	234	515	(162)	(351)
Deferred tax	-	-	-	(2,571)
<b>Total income tax expense</b>	<b>234</b>	<b>515</b>	<b>(162)</b>	<b>(2,922)</b>
<b>Tax expense on profit differs from the amount that would arise using the Bermuda standard rate of income tax due to the following:</b>				
(Loss) / Profit from continuing operations before income tax expense	(2,983)	(6,268)	18,179	(17,317)
Tax at the Bermuda tax rate of 0%	-	-	-	-
Withholding tax	234	515	162	2,922
<b>Income tax expense</b>	<b>234</b>	<b>515</b>	<b>162</b>	<b>2,922</b>

The income tax expense for the half year ended 30 June 2010 has arisen from dividend withholding tax relating to GIL Aircraft Lessor No. 1 Ltd. (formerly known as Babcock & Brown Aircraft Lessor No. 1 Ltd.) (\$0.1 million) and interest withholding tax relating to BBSFF Securitisation Ltd (\$0.4 million).

The income tax expense for the half year ended 30 June 2009 has arisen from dividend withholding tax relating to GIL Aircraft Lessor No. 1 Ltd. (formerly known as Babcock & Brown Aircraft Lessor No. 1 Ltd.) (\$0.1 million), interest withholding tax relating to Global Investments Limited (\$0.2 million), and the reversal of the deferred tax asset balance relating to the interest in BBRNA (\$2.6 million).

**10. Earnings per share**

	Group Quarter ended 30 Jun 10	Group Half year ended 30 Jun 10	Group Quarter ended 30 Jun 09	Group Half year ended 30 Jun 09
<b>Basic earnings / (loss) per share</b>				
(Loss) / Earnings used in calculation of basic (loss) / earnings per share (S\$'000)	(3,217)	(6,783)	17,900	(17,596)
Weighted average number of shares on issue used in calculation of basic earnings / (loss) per share ('000)	392,703	392,671	392,638	392,638
<b>Basic (loss) / earnings per share (cents per share)</b>	<b>(0.82)</b>	<b>(1.73)</b>	<b>4.56</b>	<b>(4.48)</b>
<b>Diluted earnings / (loss) per share</b>				
Diluted (loss) / earnings used in calculation of diluted (loss) / earnings per share (S\$'000)	(3,217)	(6,783)	17,900	(17,596)
Weighted average number of shares on issue used in calculation of diluted earnings / (loss) per share ('000)	393,006	392,914	392,638	392,638
<b>Diluted (loss) / earnings per share (cents per share)</b>	<b>(0.82)</b>	<b>(1.73)</b>	<b>4.56</b>	<b>(4.48)</b>

## CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION - UNAUDITED

30 June 2010

### 11. Dividends

The Company is declaring an interim dividend of 0.5 cent per Share in respect of the period from 1 January 2010 to 30 June 2010. The 2010 interim dividend is expected to be paid on 15 September 2010.

The 2009 interim dividend of 2.0 cents per Share which comprised 0.6 Singapore cents per Share for the six months ended 30 June 2009 and 1.4 Singapore cents per Share carried forward from prior year, was paid on 20 August 2009. A final dividend of 1.0 cent per Share declared for the period from 1 July 2009 to 31 December 2009 was paid on 25 February 2010.

	Interim dividend 2010	Final dividend 2009
<b>Ordinary shares</b>		
Dividends per Share (cents)	0.5	1.0
Dividends paid/declared (\$'000)	1,965	3,926

As the Company was incorporated in Bermuda and is not resident in Singapore for tax purposes, dividends paid by the Company will be regarded as foreign-sourced income for Singaporean tax resident recipients.

Foreign dividends are subject to Singapore income tax when received in Singapore by corporate shareholders.

Foreign dividends received by foreign investors with no permanent establishment in Singapore are generally not subject to Singapore income tax.

Foreign-sourced dividends received by individuals in Singapore (whether resident or otherwise) are exempted from Singapore income tax unless these dividends are received via partnerships.

Neither Singapore nor Bermuda currently imposes withholding tax on dividends paid to non-Singapore or non-Bermuda tax resident shareholders.

### 12. Net asset value

	Group as at 30 Jun 10	Company as at 30 Jun 10	Group as at 31 Dec 09	Company as at 31 Dec 09
<b>Net asset value</b>				
Total net asset value (\$'000)	116,434	116,434	119,387	119,387
Total number of ordinary shares on issue used in calculation of net asset value per share ('000)	393,006	393,006	392,638	392,638
<b>Net asset value per ordinary share (\$ per share)</b>	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION - UNAUDITED**

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**13. Commitments**

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	Group as at 30 Jun 10 S\$'000	Group as at 31 Dec 09 S\$'000
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**Capital and credit commitments**

	Group as at 30 Jun 10 S\$'000	Group as at 31 Dec 09 S\$'000
<b>Commitments for the acquisition of assets and economic exposure for at the reporting date but not recognised as liabilities payable</b>		
Within one year	-	3,497
<b>Total capital and credit commitments</b>	<b>-</b>	<b>3,497</b>

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	Group As at 30 Jun 10 S\$'000	Group as at 31 Dec 09 S\$'000
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**Lease Commitments – Operating Leases where a group company is a lessor****Commitments for minimum lease payments in relation to non-cancellable operating leases are receivable as follows:**

Within one year	5,356	5,382
Later than one year but not later than five years	9,819	12,560
<b>Total lease commitments – operating leases where a group company is a lessor</b>	<b>15,175</b>	<b>17,942</b>

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	Group As at 30 Jun 10 S\$'000	Group as at 31 Dec 09 S\$'000
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**Lease Commitments – Operating Leases where a group company is a lessee****Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:**

Within one year	-	105
Later than one year but not later than five years	-	110
<b>Total lease commitments – operating leases where a group company is a lessee</b>	<b>-</b>	<b>215</b>

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### 14. Non-cash financing and investing activities

#### Group half year ended 30 June 2010

Not included in the Consolidated Statement of Cash Flows is the settlement of the base management fees (S\$77,337) to the Manager in respect of 4Q 09 and 1Q 10 via the issuance of new shares.

#### Group half year ended 30 June 2009

The Group did not enter into any investing or financing transactions which did not require the use of cash or are not included in the Consolidated Statement of Cash Flows.

### 15. Related-party transactions

#### Director's remuneration

Manager Nominated Directors do not receive any fees for serving as a Director or as a member of a committee of the Board of Directors.

Directors (including the Manager Nominated Directors) are reimbursed for reasonable out-of-pocket expenses incurred in attending meetings of the Board of Directors or committees and for any expenses reasonably incurred in their capacity as Directors.

The Company has adopted the following fee structure for independent Directors:

	Remuneration Per Annum
1. Base remuneration fee for independent Directors	US\$50,000 per Director
2. Fees for chairmanship and membership in various Board committees (With effect from 1 July 2009)*:	
a) Chairman of the GIL Board (applicable only when the Chairman is an Independent Director)	US\$10,000
b) Deputy Chairman of the GIL Board (applicable only when the Deputy Chairman is an Independent Director)	US\$5,000
c) Membership of Audit and Risk Management Committee	US\$10,000 per member
d) Membership of Nominations and Governance Committee	US\$2,000 per member
3. Fee for Directorship of all Cayman Island Subsidiary companies (With effect from 1 July 2009)*	US\$5,000 per Director

\* The Board approved the proposed changes to the remuneration of the Independent Directors to include fees for chairmanship, Board committee membership and directorship in the Cayman Islands subsidiary companies, with retroactive effect from 1 July 2009.

The maximum aggregate amount of fees payable to the Directors in respect of one year is the number of directors appointed at the relevant time multiplied by US\$70,000. A total of US\$131,158 has been paid or accrued (2009: US\$73,077) in respect of the period ended 30 June 2010.

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### The Manager

ST Asset Management Limited (the "Manager") of GIL was appointed by the Company as the sole and exclusive Manager pursuant to management agreement dated 24 September 2009. Prior to STAM's appointment on 25 November 2009, Babcock & Brown Global Investments Management Pty Limited ("BBGIM") was appointed by the Company as the sole and exclusive Manager pursuant to two management agreements dated 12 December 2006.

The following relationships and transactions with the Manager exist:

	Group Half year ended 30 Jun 10 S\$'000	Group Half year ended 30 Jun 09 S\$'000
<b>Transactions with STAM:-</b>		
Base management fee	361	-
Fixed fee	322	-
Expense Reimbursement <sup>1</sup>	246	-
<b>Transactions with BBGIM:-</b>		
Base management fee	-	570
Expense Reimbursement <sup>1</sup>	-	590
Divestment fee	-	596

	Group as at 30 Jun 10 S\$'000	Company as at 30 Jun 10 S\$'000	Group as at 31 Dec 09 S\$'000	Company as at 31 Dec 09 S\$'000
<b>Balances with STAM:-</b>				
Accrued base management fee	183	183	94	94
Dividend payable	-	-	66	66
Expense Reimbursement <sup>1</sup>	282	282	120	120
Total liabilities payable to the Manager	<b>465</b>	<b>465</b>	<b>280</b>	<b>280</b>

<sup>1</sup> The expense reimbursement relates to those costs which have been paid or are payable by the Manager on behalf of the Company and are required to be reimbursed by the Company pursuant to the management agreements between the Company and the Manager.

As at 30 June 2010 the Manager holds 368,000 (2009: nil) ordinary shares in the Company.

### 16. Critical accounting estimates and judgments in applying accounting policies

GIL makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are evaluated on an ongoing basis and take into account historical experience and expectations of future events.

- (i) Fair value of Available for Sale financial assets

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The fair values of Available for Sale financial assets that are quoted in active markets are determined by reference to published price quotations in an active market.

The fair values of Available for Sale financial assets that are not quoted in active markets are determined by using valuation techniques such as discounted cash flow analysis, valuation of similar investments and reference to recent sales transactions of the same or similar assets. A variety of assumptions such as prepayment rates, delinquency rates, credit spreads and loss rates is made which is based on historical data as well as current market conditions.

(ii) Impairment of assets

The carrying values of all assets are reviewed on a quarterly basis for indications of impairment. Indicators such as changes in interest rates, creditworthiness of borrowers in the case of loans, performance of the investment, assessment of the performance of the underlying collateral, where applicable, and other asset-specific and industry and economic factors are considered as part of the assessment. To the extent that an indication of impairment is identified, a detailed assessment of the recoverable amount is performed.

(iii) Special purpose entities

The Group has dealings with special purpose entities ("SPEs") primarily for the purpose of holding investments, for asset securitisation transactions and for buying or selling credit protection. The Group does not consolidate SPEs that it does not control. As it can sometimes be difficult to determine whether the Group does control an SPE, management makes judgement on the Group's exposure to the risks and rewards, as well as on the Group's ability to make operational decisions for the SPE in question. In many instances, elements are present that, considered in isolation, indicate control or lack of control over an SPE but when considered together make it difficult to reach a clear conclusion. In such cases, management makes judgement as to whether the Group does indeed control an SPE.