

GALLANT VENTURE LTD.
(Incorporated in the Republic of Singapore)
Co. Registration No. 200303179Z

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- (A) **PROPOSED ACQUISITION OF SHARES REPRESENTING APPROXIMATELY 52.35% OF THE ISSUED SHARE CAPITAL OF PT INDOMOBIL SUKSES INTERNASIONAL TBK. (“IMAS”);**
- (B) **PROPOSED RENOUNCEABLE NON-UNDERWRITTEN 1-FOR-1 RIGHTS ISSUE OF 2,412,482,556 NEW SHARES IN GALLANT VENTURE LTD. TO RAISE APPROXIMATELY S\$675.5 MILLION; AND**
- (C) **PROPOSED TENDER OFFER FOR SHARES IN IMAS, SUBJECT TO COMPLETION OF THE PROPOSED ACQUISITION OF 52.35% OF IMAS.**
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1. INTRODUCTION

The Board of Directors (the “**Directors**”) of Gallant Venture Ltd. (“**Gallant**” or the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce the following:

- 1.1 the Company has entered into a conditional sale and purchase agreement dated 13 December 2012 (“**SPA**”) with PT Cipta Sarana Duta Perkasa (the “**Vendor**”) for, *inter alia*, the acquisition by the Company of shares representing approximately 52.35% of the issued share capital of IMAS, a company listed on the Indonesia Stock Exchange (“**IDX**”) with a market capitalisation of approximately S\$1.8 billion¹, for an aggregate consideration (the “**Purchase Consideration**”) of approximately US\$809.3 million (equivalent to approximately S\$988.2 million²) (the “**Proposed Acquisition**”);
- 1.2 the Company is proposing a renounceable non-underwritten rights issue (the “**Proposed Rights Issue**”) of 2,412,482,556 new ordinary shares (“**Shares**”) in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.280 per Rights Share (“**Issue Price**”), on the basis of one (1) Rights Share for every one (1) existing Share, to raise proceeds of approximately S\$675.5 million, and the net proceeds of approximately S\$675.3 million are proposed to be applied towards payment of part of the Purchase Consideration³; and
- 1.3 subject to the completion of the Proposed Acquisition, the Company would be obliged under the relevant Indonesian laws and regulations to make a mandatory tender offer for the remaining shares in the issued share capital of IMAS (“**IMAS Shares**”) which are not held by the Company (the “**Proposed IMAS Tender Offer**”) as more particularly described below.

¹ The market capitalisation of IMAS is determined by multiplying 2,765,278,412 IMAS Shares (being the total number of IMAS Shares in issue as at 12 December 2012, being the market day immediately preceding the date of the SPA) by approximately Rp.5,081 (being the volume weighted average traded price of the IMAS Shares on 12 December 2012) and based on an exchange rate of S\$1.00:Rp.7,886 as at 12 December 2012 (Source: Bloomberg L.P.).

² Based on the exchange rates of S\$1.00:Rp.7,939, US\$1.00:S\$1.2211 and US\$1.00: Rp.9,695 for the figures relating to the Purchase Consideration.

³ Please see Sections 2 and 3 below for information on the Purchase Consideration and the use of the net proceeds of the Proposed Rights Issue, respectively.

For the purpose of this Announcement, the Proposed Acquisition (including the issue of the Bonds (defined below)), the Proposed Rights Issue and the Proposed IMAS Tender Offer are collectively referred to as the “**Proposed Transactions**”. Further information on the Proposed Transactions will be provided in a circular to be issued by the Company in due course to its shareholders (“**Shareholders**”) to seek their approval for the Proposed Transactions at an extraordinary general meeting (“**EGM**”) to be convened (“**Circular**”).

2. THE PROPOSED ACQUISITION

Under the SPA, the Company has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Company, 1,447,559,708 IMAS Shares, representing approximately 52.35% of the issued share capital of IMAS, subject to the terms and conditions of the SPA (“**Sale Shares**”). Certain information on the IMAS Group (as defined below), the SPA and the rationale for the Proposed Acquisition is set out below.

2.1 *The IMAS Group*⁴

IMAS, which is listed on the IDX, has a market capitalisation of approximately S\$1.8 billion. IMAS and its subsidiaries (the “**IMAS Group**”) are an integrated automotive business group and is one of the two largest automotive groups in Indonesia. The primary business line of the IMAS Group encompasses vehicle sales distribution, after sales service, vehicle ownership financing, spare part distribution under the “*IndoParts*” brand, vehicle assembly, automotive parts/component manufacturing and other related supporting services. The IMAS Group manages brands including *Audi, Foton, Hino, Kalmar, Manitou, Nissan, Renault, Renault Trucks, Suzuki, Volkswagen, Volvo, Volvo Trucks* and *Volvo Construction Equipment* in Indonesia. For the last three financial years ended 31 December 2009, 2010 and 2011, the IMAS Group’s consolidated net revenues were approximately Rp.6,940 billion, Rp.10,935 billion and Rp.15,776 billion (approximately S\$880.0 million, S\$1,386.6 million and S\$2,000.5 million) respectively, and the IMAS Group posted net income of approximately Rp.154 billion, Rp.508 billion and Rp.971 billion (approximately S\$19.5 million, S\$64.4 million and S\$123.1 million) respectively.

Appendix A to this Announcement sets out certain information on the IMAS Group including its financial highlights for the last three financial years and the nine months ended 30 September 2012.

2.2 *Purchase Consideration and issue of Bonds*

- 2.2.1 The Purchase Consideration for the Sale Shares is an aggregate of approximately US\$809.3 million (equivalent to approximately S\$988.2 million), which shall be satisfied in full on the completion of the sale and purchase under the SPA. In connection with the sale and purchase, the Company shall issue to the Vendor, S\$80.0 million in principal amount of convertible bond(s) (“**Convertible Bonds**”) and approximately S\$104.7 million in principal amount of non-convertible bond(s) (“**Non-Convertible Bonds**”) and together with the Convertible Bonds, the “**Bonds**”). Accordingly, on completion of the sale and purchase, the Vendor would ultimately receive from the Company approximately S\$803.5 million in cash (“**Cash Component**”) and the Bonds.

The Cash Component is proposed to be funded by the Company by a combination of borrowings from financial institution(s) aggregating approximately S\$128.2 million, and the entire net proceeds of approximately S\$675.3 million from the Proposed Rights Issue. Please see Section 3 below for information on the use of the net proceeds of the Proposed Rights Issue.

⁴ Information on the IMAS Group is based principally on IMAS’ Annual Report 2011 and its published results announcement for the nine months ended 30 September 2012.

In summary, the Purchase Consideration is in effect funded as follows:

- (a) approximately S\$675.3 million from the net proceeds of the Proposed Rights Issue;
- (b) approximately S\$128.2 million from borrowings from financial institution(s);
- (c) S\$80.0 million from the issue of the Convertible Bonds; and
- (d) approximately S\$104.7 million from the issue of the Non-Convertible Bonds.

2.2.2 The Bonds will be unlisted, unsecured and have a five (5) year tenor. The Bonds will rank *pari passu* amongst themselves and will prior to their maturity be redeemable at the option of the Company.

The Non-Convertible Bonds will bear interest at the rate of 1.0% per annum. The Convertible Bonds will be non-interest bearing.

Subject to their terms, the Convertible Bonds shall be convertible on and after the first anniversary of their date of issue at the option of the Convertible Bond holder into a total of 250,000,000 new Shares ("**Conversion Shares**") at the conversion price of S\$0.320 per new Conversion Share, which price may be subject to adjustment under certain circumstances to be provided for under the terms and conditions of the Convertible Bonds ("**Conversion Price**"). In the event that the Convertible Bonds have not been converted by the Convertible Bond holder, the Company may (but is not obliged to) mandatorily convert them into Conversion Shares on their maturity date, and unless converted as aforesaid the Company shall redeem the outstanding Bonds at maturity. The Conversion Shares, when allotted and issued, shall rank *pari passu* in all respects with the then existing Shares in the Company save as may be provided under the terms of the Convertible Bonds. Based on the Company's issued Shares as at the date of this Announcement, the Conversion Shares will represent approximately 4.93% of the Company's fully diluted capital (taking into account the Proposed Rights Issue and the full conversion of the Convertible Bonds). The Company will be applying to the SGX-ST to seek its approval in-principle for the listing of, and the quotation for, the Conversion Shares on the SGX-ST.

2.2.3 The Purchase Consideration (which is equivalent to approximately US\$0.559 (Rp.5,420) per Sale Share) was arrived at after negotiations, on a willing buyer and willing seller basis, taking into account, *inter alia*, (i) the average of the highest daily trading price of the IMAS Shares for the 90 days ("**90-Day Reference Period**") prior to the announcement published by the Company in Indonesia in relation to the Proposed Acquisition⁵, which amounts to approximately Rp.5,425 per IMAS Share ("**IMAS Average Share Price**"), (ii) the last traded price of Rp.5,350 per IMAS Share on 13 December 2012 being the last trading day on the IDX prior to this Announcement ("**IMAS Last Traded Price**"), and (iii) the last traded price per Share on 12 December 2012 being the last trading day of the Shares on the SGX-ST prior to the date of this Announcement ("**Gallant Last Traded Price**").

The price per Sale Share of Rp.5,420 is approximately equivalent to the IMAS Average Share Price and represents:

- (a) a premium of 1.3% over IMAS Last Traded Price;
- (b) a premium of 10.6% over the lowest trading price of Rp.4,900 during the 90-Day Reference Period; and

⁵This reflects the requirement under Indonesian laws and regulations relating to tender offers, which provides that the tender offer price is to be determined by reference to (i) the average of the highest daily trading price for the 90 days prior to the completion of the Proposed Acquisition or announcement of negotiation (if any) or (ii) the price per Sale Share under the Proposed Acquisition, whichever is higher ("**Tender Offer Price Rule**").

- (c) a discount of 7.4% to the highest trading price of Rp.5,850 during the 90-Day Reference Period.

The Conversion Price represents a premium of 14.3% over the Gallant Last Traded Price.

2.3 **Conditions**

The completion of the Proposed Acquisition is conditional upon the satisfaction (or waiver in accordance with the terms of the SPA), on or before 13 June 2013 or such other date as the parties may mutually agree in writing, of certain conditions ("**Conditions**") including the approval of Shareholders for the Proposed Transactions and the other Conditions set out in **Appendix B** to this Announcement.

2.4 **Rationale for the Proposed Acquisition**

The Company is an investment holding company headquartered in Singapore with diversified businesses. Currently, the Group focuses on regional growth opportunities and its core businesses include utilities, industrial parks, resorts, property development and mining in Indonesia and property development in the People's Republic of China. The Proposed Acquisition will result in the Group becoming an even more substantial and diversified conglomerate, with core businesses extending to the automotive business. The Directors of the Company believe that the Proposed Acquisition would enhance the Company's portfolio of investments and position the Group to further tap on the growing Indonesian economy in particular the Indonesian middle-class sector. It is believed that the Proposed Acquisition presents an opportunity for Shareholders to participate in Indonesia's growing middle-class retail and industrial segments. The investment is also expected to provide the Group with access to the financial sector (such as hire-purchase and equipment financing) which is considered to have attractive growth potential. The Proposed Acquisition would represent a strategic development and significant milestone for the Group.

The Proposed Acquisition, which will result in IMAS becoming a subsidiary of the Company, is intended to improve the future growth prospects of the Group and is expected to be earnings-accretive to the Group (please refer to the section in this Announcement entitled "*Certain Proforma Financial Effects of the Proposed Acquisition and the Proposed Rights Issue*"). In addition to broadening its portfolio and positioning the Group to further tap on the growing Indonesian economy, the IMAS investment is expected to be a "stabiliser" to cushion revenue volatility in the Group's existing businesses.

2.5 **Rule 1015 of the SGX-ST Listing Manual**

Relative Figures under the Listing Manual of the SGX-ST

Based on the unaudited consolidated financial statements of the Group for the 9-month period ended 30 September 2012 ("**3Q2012**") and the unaudited consolidated financial statements of the IMAS Group for 3Q2012 and the bases and assumptions set out below, the relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 (a) to (d) of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") are as follows:-

Rule 1006(a) – The net asset value of the assets to be disposed of, compared with the Group's net asset value	
Net asset value of the assets to be disposed of	Not applicable to an acquisition of assets
Net asset value of the Group	
Relative figure	
Rule 1006(b) - the net profits attributable of the assets acquired or disposed of, compared with the Group's net profits	
Net profits ⁽¹⁾ attributable to the IMAS Group for 3Q2012	S\$57.4 million ⁽²⁾⁽³⁾
Net profits ⁽¹⁾ of the Group for 3Q2012	S\$1.9 million
Relative figure	3,088.0%
Rule 1006(c) - Aggregate value of the Purchase Consideration as compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	
Aggregate value of the Purchase Consideration	S\$988.2 million
Market capitalisation of the Company as at 12 December 2012, being the market day immediately preceding the date of the SPA ⁽⁴⁾	S\$676.9 million
Relative figure	146.0%
Rule 1006(d) - the number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	
Number of equity securities to be issued by the Company as consideration for the Proposed Acquisition	Not applicable ⁽⁵⁾
Number of equity securities of the Company in issue	
Relative figure	

Notes:

- (1) Under Rule 1002(3) of the Listing Manual, net profits is defined as profit or loss before income tax, minority interests and extraordinary items.
- (2) Based on the closing exchange rate of S\$1.00:Rp.7,886 on 12 December 2012, being the market day immediately preceding the date of the SPA (Source: Bloomberg L.P.).
- (3) Based on the profit or loss before income tax, minority interests and extraordinary items of the IMAS Group for 3Q2012 attributable to the 52.35% of the issued share capital of IMAS to be acquired by the Group pursuant to the Proposed Acquisition.
- (4) The market capitalisation of the Company is determined by multiplying 2,412,482,556 Shares (being the total number of Shares in issue as at 12 December 2012) by S\$0.2806 (being the volume weighted average traded price of the Shares on 12 December 2012, being the market day immediately preceding the date of the SPA (Source: Bloomberg L.P.).
- (5) No new Shares will be issued to the Vendor on completion of the SPA to satisfy the Purchase Consideration. In connection with the Proposed Acquisition, the Vendor will be issued, *inter alia*, the Convertible Bonds which will, in the event they are converted in full in accordance with their terms, give rise to the issue of 250,000,000 new Conversion Shares which represent 4.93% of the Company's fully diluted capital (taking into account the Proposed Rights Issue and the full conversion of the Convertible Bonds).

The proposed acquisition of IMAS Shares constitutes a Very Substantial Transaction and is subject, *inter alia*, to the approval of Shareholders at an EGM to be convened, and the approval of the SGX-ST, under Rule 1015 of the Listing Manual.

The Salim Group⁶, which has in aggregate an interest in 53.37% of the total number of issued Shares in the Company, has undertaken, *inter alia*, to vote in favour of the Proposed Transactions in respect of all its shareholdings in the Company at the EGM.

3. THE PROPOSED RIGHTS ISSUE

3.1 *Certain Proposed Terms and Conditions*

Set out below are certain proposed terms and conditions of the Proposed Rights Issue. The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors may, in their absolute discretion, deem fit. The final terms and conditions of the Proposed Rights Issue will be contained in the offer information statement (the “**Offer Information Statement**”) to be despatched by the Company to the Entitled Shareholders (defined below) in due course.

(a) *Basis and Issue Price*

2,412,482,556 Rights Shares are proposed to be offered at the Issue Price of S\$0.28 for each Rights Share on the basis of one (1) Rights Share for every one (1) existing Share held as at a books closure date to be determined by the Directors (the “**Books Closure Date**”), fractional entitlements, if any, to be disregarded. The Rights Shares will be payable in full on acceptance and/or application.

The Issue Price is equivalent to the Gallant Last Traded Price of S\$0.280 per Share on the SGX-ST on 12 December 2012, being the last market day on which the Shares were traded prior to the date of this Announcement.

(b) *Controlling Shareholder's Undertakings*

The Salim Group which has an aggregate interest in 53.37% of the total number of issued Shares in the Company, has undertaken, *inter alia*, (i) not to sell or transfer its shares in the Company on or before the Books Closure Date and (ii) to subscribe in full for its *pro rata* entitlement of Rights Shares and to make excess application(s) for all the Rights Shares (if any) which are not taken up by the other Shareholders of the Company or their renounees (“**Salim Group Undertakings**”). On the basis of the Salim Group Undertakings, the Proposed Rights Issue will be subscribed for in full.

The Company has decided to proceed with the Proposed Rights Issue on the basis that it will not be underwritten by any financial institution in view of the Salim Group Undertakings. As such, the Company will not incur any underwriting commission.

(c) *Rights Issue Proceeds*

The estimated net proceeds from the Proposed Rights Issue (after deducting certain expenses in connection with the Proposed Transactions of approximately S\$0.2 million) is expected to be approximately S\$675.3 million (“**Net Proceeds**”). The entire Net Proceeds will be used to fund the Purchase Consideration for the Proposed Acquisition or in the event that the Proposed Acquisition is not completed, for pursuing other acquisition and investment opportunities and to provide the Group with additional capital for the expansion and development of the Group's businesses.

⁶ Anthoni Salim and the group of companies controlled by him or, if the context requires, Anthoni Salim.

Pending the deployment of the Net Proceeds for the purposes mentioned above, such Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities or used for any other purpose as the Directors may, in their absolute discretion, deem fit.

(d) Eligibility of Shareholders to Participate in the Proposed Rights Issue

The Proposed Rights Issue is to be offered on a renounceable basis to Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, are in Singapore as at the Books Closure Date, or who have, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Entitled Shareholders**”).

Fractional entitlements, if any, to the Rights Shares will be disregarded and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit.

For practical reasons and in order to avoid any violation of the legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) market days prior thereto, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence and any net proceeds arising therefrom shall be dealt with in accordance with the terms set out in the Offer Information Statement to be issued by the Company in connection with the Proposed Rights Issue.

Entitled Shareholders will be at liberty to accept, decline or renounce or trade on the SGX-ST their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue.

(e) Conditions to the Proposed Rights Issue

The Proposed Rights Issue is subject to, *inter alia*, the following:

- (i) the approval of the Shareholders at the EGM to be convened for the Proposed Transactions;
- (ii) the in-principle approval of the SGX-ST for the listing of and quotation for the Rights Shares on the SGX-ST; and
- (iii) the lodgement of the Offer Information Statement with the Monetary Authority of Singapore.

The Company will be applying to the SGX-ST to seek its approval in-principle for the listing of, and quotation for, the Rights Shares on the SGX-ST.

(f) Status of Rights Shares

The Rights Shares shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls on or after the date of issue of the Rights Shares. For this purpose, “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered in order to participate in such dividends, rights, allotments or other distributions.

4. THE PROPOSED IMAS TENDER OFFER

Subject to the completion of the Proposed Acquisition, the Company would be obliged, under the relevant Indonesian laws and regulations, to make the Proposed IMAS Tender Offer for all the outstanding IMAS Shares which are not held by the Company (“**IMAS Tender Offer Shares**”).

PT Tritunggal Intipermata (“**PT TI**”), a member of the Salim Group, which has an existing shareholding interest of approximately 18.05% in the issued share capital of IMAS as at the date of this Announcement, has undertaken *inter alia* to the Company (i) not to sell its 18.05% shareholding interest in IMAS before the expiry of the Proposed IMAS Tender Offer and (ii) not to accept the Proposed IMAS Tender Offer in respect of its said 18.05% shareholding interest and any other IMAS Shares it may acquire prior to the close of the Proposed IMAS Tender Offer⁷. Accordingly, as at the date hereof, it is expected that the Proposed IMAS Tender Offer will be in respect of shares representing in aggregate approximately 29.6% of the issued capital of IMAS.

The price proposed to be offered under the Proposed IMAS Tender Offer (“**Proposed Tender Offer Price**”) is to be determined by the Indonesian Capital Market and Financial Institution Supervisory Agency (BAPEPAM-LK) making reference to the Tender Offer Price Rule. The aggregate Proposed Tender Offer Price for IMAS Shares representing 29.6% of the issued capital of IMAS is estimated to be approximately S\$563.1 million⁸. The Company proposes to fund the acquisition if any of IMAS Shares tendered in acceptance of the Proposed IMAS Tender Offer by way of borrowings from financial institution(s). The Company intends to enter into placement arrangements to place out IMAS Shares tendered in acceptance of the Proposed IMAS Tender Offer.

5. CERTAIN PROFORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND THE PROPOSED RIGHTS ISSUE

Please refer to **Appendix C** to this Announcement for certain of the unaudited proforma financial effects of the Proposed Acquisition and the Proposed Rights Issue on the Group.

6. CERTAIN EFFECTS ON SHAREHOLDINGS IN THE COMPANY

Certain effects of the Proposed Rights Issue and the Proposed Acquisition on the shareholdings in the Company are set out in **Appendix D** to this Announcement.

⁷ The Salim Group also has interests in certain insurance companies, the insurance funds of which may be invested in IMAS Shares for the benefit of policyholders. The Salim Group understands that at present such investments amount to approximately 4% of IMAS’ issued capital. These IMAS Shares are not the subject of the above undertaking by PT TI to the Company.

⁸ Based on the assumption that the Proposed Tender Offer Price per IMAS Share is equal to the IMAS Average Share Price.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors has, and the Company has not received any notification from any of its controlling Shareholders that it has, any interest, direct or indirect, in the Proposed Acquisition.

By way of disclosure, as stated above, PT TI, a member of the Salim Group, has a shareholding interest of approximately 18.05% in the issued share capital of IMAS as at the date of this Announcement. Eugene Cho Park, the Chief Executive Officer and Executive Director of the Company, sits on the board of Commissioners of IMAS.

8. JOINT FINANCIAL ADVISERS

The Company has appointed CIMB Bank Berhad, Singapore Branch and UOB Kay Hian Private Limited as its joint financial advisers in relation to the Proposed Acquisition and as its joint managers for the Proposed Rights Issue.

9. CIRCULAR AND DOCUMENT(S) AVAILABLE FOR INSPECTION

The Circular containing information of the Proposed Transactions and enclosing the notice of the EGM to seek Shareholders' approval for the Proposed Transactions, will be despatched by the Company to Shareholders in due course.

A copy of the SPA will be made available for inspection by Shareholders during normal business hours at the registered office of the Company for a period of three (3) months from the date of this Announcement.

**BY ORDER OF THE BOARD OF DIRECTORS OF
GALLANT VENTURE LTD.**

Choo Kok Kiong
Company Secretary

14 December 2012

Appendix A

Certain Information on the IMAS Group

- 1.1 **Business.** IMAS was initially established as a result of the merger between PT Indomulti Inti Industri Tbk. (“**Indomulti**”) and PT Indomobil Investment Corporation on 6 November 1997 where Indomulti was the surviving entity. Indomulti was established on 20 March 1987 based on notarial deed No. 128 as amended by notarial deed No. 101 dated 13 November 1987, both deeds drawn up before Benny Kristianto, S.H. After the merger, Indomulti’s name was changed to PT Indomobil Sukses Internasional Tbk.

IMAS, previously Indomulti, was listed in 1993 on the Jakarta and Surabaya Stock Exchanges. Since 2007, IMAS’ shares were listed on IDX when the said two stock exchanges were merged to become the IDX.

The IMAS Group is an integrated automotive business group and is one of the two largest automotive groups in Indonesia. The primary business line of the IMAS Group encompasses vehicle sales distribution, after sales service, vehicle ownership financing, spare part distribution under the “*IndoParts*” brand, vehicle assembly, automotive parts/component manufacturing and other related supporting services. The IMAS Group manages brands including *Audi, Foton, Hino, Kalmar, Manitou, Nissan, Renault, Renault Trucks, Suzuki, Volkswagen, Volvo, Volvo Trucks* and *Volvo Construction Equipment* in Indonesia.

The IMAS Group’s products cater mainly to the Indonesian middle-class consumer sector and the industrial equipment (especially mining-related) segment. In addition, IMAS has a growing financing arm targeting both retail consumers (in the form of vehicle hire-purchase) and corporations (including the provision of heavy equipment financing).

1.2 **Financial Highlights.**

- (a) The summary financial performance of the IMAS Group for the last three (3) financial years ended 31 December 2011 and the nine (9) months ended 30 September 2012 is set out below:

(in Rp. billion)	Financial year ended 31 December			9 months ended 30 September
	2009	2010	2011	2012
	<i>(Audited)</i>			<i>(Unaudited)</i>
Revenue	6,940	10,935	15,776	14,598
Profit before tax	231	607	1,188	865
Income for the year	154	508	971	718

- (b) The summary financial position of the IMAS Group as at the end of the last three (3) financial years ended 31 December 2011 and the nine (9) months ended 30 September 2012 is set out below:

	Financial year ended 31 December			9 months ended 30 September
(in Rp. billion)	2009	2010	2011	2012
	<i>(Audited)</i>			<i>(Unaudited)</i>
Total current assets	2,861	4,509	7,406	8,741
Total non-current assets	2,232	3,476	5,508	8,379
Total assets	5,093	7,985	12,914	17,120
Total current liabilities	3,063	4,217	5,414	7,469
Total non-current liabilities	1,379	2,160	2,416	4,190
Total liabilities	4,442	6,377	7,830	11,659
Total equity	6501	1,608	5,084	5,461
Total liabilities and equity	5,093	7,985	12,914	17,120

The audited financial statements of the IMAS Group have been prepared in accordance with generally accepted accounting principles in Indonesia.

1.3 **IMAS Principal Shareholders.** IMAS is listed on the IDX. The principal shareholders of IMAS, as at the date of this Announcement, are:

- (a) The Vendor – which holds approximately 52.35% of the issued share capital of IMAS; and
- (b) PT TI – which holds approximately 18.05% of the issued share capital of IMAS.

The Vendor is a limited liability company established under the laws of Indonesia. PT Eka Surya Indah Pratama holds 99.99% and Mr Pranata Hajadi holds 0.01% of the outstanding shares of the Vendor. Mr Pieter Tanuri has an effective interest in approximately 99.5% of the Vendor.

As stated above, PT TI is a member of the Salim Group.

Appendix B

Conditions

Completion of the Proposed Acquisition is conditional, *inter alia*, upon the following:

- (a) the Company having completed its due diligence investigations in respect of the IMAS Group and the results of such due diligence investigations being satisfactory to the Company in its absolute discretion;
- (b) the approval of the Shareholders of the Company at an EGM having been obtained for:
 - (i) the Proposed Acquisition, including the issue of the Bonds and the Conversion Shares, and the acquisition of IMAS Shares by way of the Proposed IMAS Tender Offer; and
 - (ii) the Proposed Rights Issue;
- (c) the approval in-principle of the SGX-ST having been obtained for the listing and quotation of the Rights Shares and the Conversion Shares on the Main Board of the SGX-ST and if such approval is subject to conditions, such conditions being acceptable to the Company in its absolute discretion, and such approval remaining in full force and effect;
- (d) all approvals, consents, licences, permits, waivers and exemptions (collectively, “**Approvals**”) for or in connection with the Proposed Acquisition and the Proposed IMAS Tender Offer and the other transactions contemplated under the SPA having been granted by all relevant authorities and third parties (including the SGX-ST, the Indonesian Capital Market and Financial Institutions Supervisory Agency and financial institutions) to the Company and/or the IMAS Group (as the case may be), and where any such Approval is subject to conditions, such conditions being acceptable to the Company, and such Approvals remaining in full force and effect;
- (e) there not having been at any time hereafter any change, development, event, act or omission that has or may have a Material Adverse Change (as defined in the SPA); without prejudice to the generality of the foregoing, the IMAS Shares not being delisted and/or being suspended for a period of more than 14 consecutive market days;
- (f) the purchase and transfer of the Sale Shares and the other transactions contemplated under the SPA not being prohibited or restricted by any statute, order (including order of court), rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or authority of Singapore, Indonesia and any other relevant jurisdictions;
- (g) the completion of the Proposed Rights Issue, including the Company having received gross proceeds pursuant to the Proposed Rights Issue of no less than S\$675,495,115 and the Rights Shares which are the subject of the Proposed Rights Issue having been allotted pursuant to the Proposed Rights Issue;
- (h) the Company being satisfied that there shall have been entered into, on terms and conditions acceptable to the Company, loan agreement(s) with financial institutions to fund the payment of part of the Purchase Consideration pursuant to the SPA; and
- (i) the Company being satisfied that there shall have been entered into, on terms and conditions acceptable to the Company, (A) loan agreement(s) with financial institution(s) or other lenders to fund the full payment of the aggregate tender offer price under the Proposed IMAS Tender Offer; and (B) placement agreement(s) between the Company and one or more placement agents or other parties in respect of the placement of IMAS Shares tendered in acceptance of the Proposed IMAS Tender Offer.

Appendix C

Certain Proforma Financial Effects

1. BASES AND ASSUMPTIONS

- 1.1 Certain unaudited proforma financial effects of the Proposed Transactions on the Group are set out below. The objective is to illustrate what the historical information might have been had the Proposed Transactions been completed at an earlier date. However, such information is not necessarily indicative that the results of operations or the financial position as illustrated would have been attained had the Proposed Transactions been completed at an earlier date. In addition, such information is not necessarily indicative or a projection of the financial performance or financial position of the Proforma Group⁹ after the completion of the Proposed Transactions.
- 1.2 The unaudited proforma financial effects in this section have been prepared based on the audited financial statements of the Group and the IMAS Group for the financial year ended 31 December 2011 (“**FY2011**”). For the purposes of illustrating the financial effects of the Proposed Transactions, the financial effects are computed based on *inter alia*, the following assumptions:
- (i) for the purposes of computing the financial effects of the Proposed Transactions on the earnings and earnings per share (“**EPS**”) of the Company, the Proposed Transactions were assumed to have been completed on 1 January 2011;
 - (ii) for the purpose of computing the financial effects of the Proposed Transactions on the share capital, net tangible assets (“**NTA**”) and gearing of the Company, the Proposed Transactions were assumed to have been completed on 31 December 2011;
 - (iii) the Net Proceeds of approximately S\$675.3 million from the issue of 2,412,482,556 Rights Shares at the Issue Price of S\$0.280 per Rights Share will be applied towards payment of part of the Purchase Consideration;
 - (iv) Convertible Bonds in the principal amount of S\$80,000,000 (which are convertible into an aggregate of 250,000,000 Conversion Shares at the Conversion Price of S\$0.320 per new Conversion Share, which price may be subject to certain adjustments under the terms and conditions of the Convertible Bonds) will be issued by the Company in connection with the Proposed Acquisition;
 - (v) the amount of IMAS Shares which the Company acquires under the Proposed Transactions will represent 52.35% of the IMAS’ issued share capital;
 - (vi) according to the Group’s accounting policies, the Group shall determine the fair value of each of the identifiable assets and liabilities including intangible assets of the IMAS Group and calculate the goodwill arising from the Proposed Acquisition which represents the difference between the consideration transferred and the fair value of the identifiable assets and liabilities of the IMAS Group. For the purposes of the proforma financial information, the book value of the IMAS Group is assumed to be equal to the fair values of its assets and liabilities and no impairment for goodwill is assumed. Upon completion of the Proposed Acquisition, in accordance with

⁹ “**Proforma Group**” means the Company, IMAS and their subsidiaries immediately following the completion of the Proposed Acquisition, treated for the purpose of this Announcement as if such group structure has been in existence since 1 January 2009.

Singapore Financial Reporting Standards (“**SFRS**”) 103 “Business Combinations”, the Group is required to finalise within one year, a purchase price allocation exercise to assess the fair values of the net identifiable assets and liabilities of the IMAS Group. The excess of the consideration transferred arising from the Proposed Acquisition over the fair values of the net identifiable assets and liabilities will be recorded as actual goodwill in the balance sheet and subject to at least an annual impairment test and more frequent if there are indicators of impairment;

- (vii) no expenses incurred in connection with the Proposed Transactions have been taken into consideration; and
- (viii) the audited financial statements of the IMAS Group are reported in Indonesian Rupiah, and (i) for the translation of the profit and loss items, the Indonesian Rupiah amounts have been converted into Singapore Dollar at the exchange rate of S\$1.00:Rp.6,991, which represents the average exchange rate for FY2011; and (ii) for the translation of the balance sheet items, the Indonesian Rupiah amounts have been converted into Singapore Dollar at the exchange rate of S\$1.00:Rp.6,974, which represents the closing exchange rate as at 31 December 2011.

2. **PROFORMA FINANCIAL EFFECTS**

2.1 **Financial Effects on Issued and Paid-up Share Capital**

	Number of Shares (’000)	Share Capital (S\$’000)
Share Capital of the Company as at 31 December 2011	2,412,483	1,207,642
Shares to be issued under the Proposed Rights Issue	2,412,483	675,269
Conversion Shares to be issued assuming the full conversion of the Convertible Bonds	250,000	80,000
Share capital of the Company after the Proposed Transactions	5,074,966	1,962,911

2.2 **Financial Effects on Earnings**

(S\$’000)	Before the Proposed Transactions	After the Proposed Acquisition	After the full conversion of the Convertible Bonds
Profit attributable to equity holders of the Company	8,284	8,284	8,284
Add: Profits attributable to equity holders of the IMAS Group	-	48,859	48,859
Net profit attributable to equity holders of the Proforma Group after the Proposed Transactions	8,284	57,143	57,143
Number of Shares (’000)	2,412,483	4,824,966	5,074,966
Earnings per Share (Singapore cents)	0.34	1.18	1.13

2.3 Financial Effects on NTA

(S\$'000)	Before the Proposed Transactions	After the Proposed Acquisition	After the full conversion of the Convertible Bonds
NTA attributable to the equity holders of the Company	1,253,141	1,292,311	1,337,705
Add: NTA attributable to the equity holders of the IMAS Group	-	670,705	670,705
Adjusted NTA of the Proforma Group	1,253,141	1,963,016	2,008,410
Number of Shares ('000)	2,412,483	4,824,966	5,074,966
NTA per Share (Singapore cents)	51.94	40.68	39.57

2.4 Financial Effects on Gearing

(S\$'000)	Before the Proposed Transactions	After the Proposed Acquisition	After the full conversion of the Convertible Bonds
Total borrowings	257,705	1,211,730	1,166,336
Shareholders' funds	1,278,116	2,941,339	2,986,733
Gearing (times)	0.20	0.41	0.39

Appendix D

Certain Effects on Shareholdings in the Company

- 1.1 **Existing Controlling Shareholders of the Company.** Based on information in the Register of Substantial Shareholders maintained by the Company, as at the date of this Announcement, the existing controlling shareholders of the Company (as defined in the Listing Manual) are:

Controlling Shareholder	Percentage of issued Shares⁽¹⁾
Salim Group	53.37% ⁽²⁾
Sembcorp Industries Ltd ("SCI") group	23.92% ⁽³⁾

Notes:

- (1) Based on the Company's issued capital of 2,412,482,556 Shares as at the date of this Announcement.
- (2) The 53.37% is held by the following members of the Salim Group, namely, Parallax Venture Partners XXX Ltd, Dornier Profits Limited and PT Elitindo Citralestari. Please refer to the Company's Annual Report 2011 for information on the substantial shareholders of the Company and the other substantial shareholders who are deemed to be interested in the said 53.37% stake.
- (3) The 23.92% is held by Sembcorp Development Ltd. Please refer to the Company's Annual Report 2011 for information on the substantial shareholders of the Company and the other substantial shareholders who are deemed to be interested in the said 23.92% stake.

- 1.2 **Immediately after the completion of the Proposed Acquisition and the Proposed Rights Issue.** The percentage shareholdings of the controlling shareholders of the Company immediately after the completion of the Proposed Acquisition and the Proposed Rights Issue but before the conversion of the Convertible Bonds (which are convertible by the Convertible Bond holder only on and after the 1st anniversary of their issue) are set out below:

Controlling Shareholder	Percentage of issued Shares⁽¹⁾⁽²⁾
Salim Group	53.37% to 76.68% ⁽³⁾
SCI group	11.96% to 23.92% ⁽⁴⁾

Notes:

- (1) Based on the enlarged Share capital of 4,824,965,112 issued Shares (taking into account the Proposed Rights Issue).
- (2) Assuming there is no redemption of the Convertible Bonds by the Company.
- (3) Assuming the scenarios where (i) the non-Salim Group shareholders subscribe in full for their entitlements under the Proposed Rights Issue; and (ii) none of the non-Salim Group shareholders subscribe for any of their entitlements under the Proposed Rights Issue. Both scenarios (i) and (ii) are on the basis that the Salim Group subscribes for the Rights Shares in accordance with the Salim Group Undertakings.
- (4) Assuming the scenarios where (i) SCI group does not subscribe for any of its entitlements under the Proposed Rights Issue; and (ii) SCI group subscribes in full for its entitlements under the Proposed Rights Issue.

- 1.3 **Immediately after the full Conversion of the Convertible Bonds.** The percentage shareholdings of the controlling shareholders of the Company immediately after the conversion in full of the Convertible Bonds are set out below:

Controlling Shareholder	Percentage of issued Shares⁽¹⁾⁽²⁾
Salim Group	50.74% to 72.91% ⁽³⁾
SCI group	11.37% to 22.74% ⁽⁴⁾

Notes:

- (1) Based on the enlarged Share capital of 5,074,965,112 issued Shares (taking into account the Proposed Rights Issue and assuming the full conversion of the Convertible Bonds).
- (2) Assuming there is no redemption of the Convertible Bonds by the Company.
- (3) Assuming the scenarios where (i) the non-Salim Group shareholders subscribe in full for their entitlements under the Proposed Rights Issue; and (ii) none of the non-Salim Group shareholders subscribe for any of their entitlements under the Proposed Rights Issue. Both scenarios (i) and (ii) are on the basis that the Salim Group subscribes for the Rights Shares in accordance with the Salim Group Undertakings.
- (4) Assuming the scenarios where (i) SCI group does not subscribe for any of its entitlements under the Proposed Rights Issue; and (ii) SCI group subscribes in full for its entitlements under the Proposed Rights Issue.

- 1.4 **Illustrative Only.** The above effects of on the shareholdings in the Company are illustrative only. The scenarios illustrated above may not actually arise or materialise and there are other scenarios that may arise or materialise which have not been set out.