APPENDIX DATED 12 APRIL 2017

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Appendix is circulated to Shareholders of Gallant Venture Ltd. (the "**Company**") together with the Company's Annual Report. The purpose of this Appendix is to explain to Shareholders the rationale for and provide information to the Shareholders relating to the Restated and Re-audited FY2014 Financial Statements and Restated and Re-Audited FY2015 Financial Statements and the proposed renewal of the IPT Mandate and the Share Purchase Mandate (each term as defined herein) to be tabled at the Annual General Meeting of the Company to be held on 28 April 2017 at 3.00 p.m. at Orchard Parade Hotel, Antica I & II, Level 2, 1 Tanglin Road Singapore 247905.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

If you have sold all your shares in the Company, you should immediately forward this Appendix, the Annual Report and Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

GALLANT VENTURE

GALLANT VENTURE LTD.

(Incorporated in the Republic of Singapore on 7 April 2003)
(Company Registration No. 200303179Z)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

IN RELATION TO

(1) THE RESTATED AND RE-AUDITED FY2014 FINANCIAL STATEMENTS AND RESTATED AND RE-AUDITED FY2015 FINANCIAL STATEMENTS;

(2) THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTIONS MANDATE; AND

(3) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE.

Registered Office: 3 HarbourFront Place, #16-01 HarbourFront Tower Two, Singapore 099254

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DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires:

"2013 AGM"	:	AGM of the Company which was held on 30 April 2013
"2017 AGM"	:	AGM of the Company to be held on 28 April 2017
"AGM"	:	Annual General Meeting of the Company
"Appendix"	:	This Appendix to the Notice of AGM dated 12 April 2017 convening the 2017 AGM
"associate"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family (that is, the person's spouse, child, adopted-child, step-child, sibling and parent); (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Audit Committee"	:	The audit committee of the Company for the time being
"Auditors"	:	The auditors of the Company for the time being, namely Foo Kon Tan LLP
"Board"	:	The board of directors of the Company for the time being
"CDP"	:	The Central Depository (Pte) Limited
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Company"	:	Gallant Venture Ltd.

"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
"Directors"	:	The directors of the Company for the time being
"EAR Group"	:	The Company, its subsidiaries and its associated companies which are considered to be entities at risk
"entity at risk"	:	(a) The listed company; (b) A subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or (c) An associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company
"EPS"	:	Earnings per Share
"financial year"	:	The period of 12 months commencing on 1 January each year and ending on the 31 December the same year
"FY2014"	:	Financial year ended 31 December 2014
"FY2015"	:	Financial year ended 31 December 2015
"FY2016"	:	Financial year ended 31 December 2016
"Group"	:	The Company and its subsidiaries
"IMAS Group"	:	PT Indomobil Sukses Internasional Tbk and its subsidiaries
"interested person"	:	A director, chief executive officer or Controlling Shareholder of the listed company or an associate of any such director, chief executive officer or Controlling Shareholder
"IPT" or "Interested Person Transactions"	:	Transactions between an entity at risk and an interested person within the meaning of Chapter 9 of the Listing Manual
"IPT Mandate" or "Interested Person Transactions Mandate"	:	The general mandate pursuant to Chapter 9 of the Listing Manual permitting the Company, its subsidiaries and its associated companies to enter into certain categories of transactions with specified classes of the Group's Interested Persons

"Latest Practicable Date"	:	3 April 2017, being the latest practicable date prior to the printing of this Appendix
"Listing Manual"	:	The listing manual of the SGX-ST, as amended or modified from time to time
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"MSL"	:	Market Strength Limited
"NAV"	:	Net asset value
"NTA"	:	Net tangible asset
"Original FY2014 Financial Statements"	:	The audited financial statements of the Company for FY2014 together with the Directors' Report, Statement by Directors and Auditor's Report thereon received and adopted in April 2015
"Original FY2015 Financial Statements"	:	The audited financial statements of the Company for FY2015 together with the Directors' Statement and Auditor's Report thereon received and adopted in April 2016
"Professional, Administrative and Support Services"	:	The services referred to in Section 3.4(xv) of this Appendix
"PT IMAS"	:	PT Indomobil Sukses Internasional Tbk
"Restated and Re-Audited FY2014 Financial Statements"	:	The restated and re-audited financial statements of the Company for FY2014 together with the Directors' Statement and Auditor's Report thereon
"Restated and Re-Audited FY2015 Financial Statements"	:	The restated and re-audited financial statements of the Company for FY2015 together with the Directors' Statement and Auditor's Report thereon
"Review Procedures"	:	The guidelines and review procedures as described in Section 3.6 of this Appendix
"Salim Group"	:	Mr Anthoni Salim and the group of companies controlled by him or, if the context requires, Mr Anthoni Salim
"Securities Account"	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
"SFA"	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"SFRS" or the "Relevant Accounting Standards"	:	The relevant Singapore Financial Reporting Standards, as applicable from time to time

"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Purchase Mandate"	:	The mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of such mandate
"Shareholders"	:	Persons who are registered as holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the persons named as Depositors in the Depository Register and whose Securities Accounts are credited with Shares
"Shares"	:	Ordinary shares in the capital of the Company
"Substantial Shareholder"	:	A person who has an interest in one or more voting shares in a company and the total votes attached to such share(s) is not less than 5% of the total votes attached to all the voting shares in the company
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
"S$" or "$" and "cents"	:	Singapore dollars and cents, respectively
"%" or "per cent."	:	Percentage or per centum

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual, the Take-over Code or any modification thereof and used in this Appendix shall have the meaning assigned to it under the Companies Act, the Listing Manual, the Take-over Code or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Appendix is a reference to Singapore time and date, respectively, unless otherwise stated. Any reference to currency set out in this Appendix is a reference to S$ unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

GALLANT VENTURE LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200303179Z)

Board of Directors	**Registered Office**
Lim Hock San *(Non-Executive Chairman and Independent Director)*	3 HarbourFront Place
Eugene Cho Park *(Executive Director and Chief Executive Officer)*	#16-01
Gianto Gunara *(Executive Director)*	HarbourFront Tower Two
Jusak Kertowidjojo *(Executive Director)*	Singapore 099254
Choo Kok Kiong *(Executive Director)*	
Tan Chin Nam *(Non-Executive Director)*	
Axton Salim *(Non-Executive Director)*	
Foo Ko Hing *(Independent Director)*	
Rivaie Rachman *(Independent Director)*	

12 April 2017

To: The Shareholders of **Gallant Venture Ltd.**

Dear Shareholders

1. INTRODUCTION

We refer to Ordinary Resolutions 8, 9 and 10 set out in the Notice convening the 2017 AGM to be held on 28 April 2017 relating to the Restated and Re-audited FY2014 Financial Statements and Restated and Re-Audited FY2015 Financial Statements, the proposed renewal of the IPT Mandate and the proposed renewal of the Share Purchase Mandate, respectively.

The purpose of this Appendix is to provide Shareholders with information relating to the above-mentioned proposals to be tabled at the 2017 AGM.

The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Appendix.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

2. RESTATED AND RE-AUDITED FY2014 FINANCIAL STATEMENTS AND RESTATED AND RE-AUDITED FY2015 FINANCIAL STATEMENTS

2.1 Background Information

Pursuant to the Financial Reporting Surveillance Programme, ACRA reviewed the Original FY2014 Financial Statements of the Company for compliance with the accounting standards under the then prevailing Section 201(3A) of the Companies Act as applicable at the relevant time. On 10 October 2016, ACRA issued an advisory letter on compliance with accounting standards to the Board of Directors of the Company (the "**Advisory Letter**").

ACRA had in the Advisory Letter required the Company to, *inter alia*, restate, re-audit and re-file the Original FY2014 Financial Statements and the Original FY2015 Financial Statements by 30 April 2017.

2.2 Advisory Letter

The Advisory Letter on compliance with accounting standards deals with, *inter alia*, the following:

(a) **Classification of Currency Translation –** Paragraphs 20(b) and 28 of SFRS 7 *Statement of Cash Flows* – currency translation differences from converting the Group's outstanding borrowings in the subsidiaries' functional currency (i.e. Indonesian Rupiah) to the Group's presentation currency (i.e. Singapore Dollar) should not have been classified as an adjustment to profit before tax in the Consolidated Statement of Cash Flows in the Original FY2014 Financial Statements. ACRA was of the view that the net cash flows generated from operating activities and financing activities in FY2014 were understated by S$19.6 million and overstated by S$18.4 million, respectively.

(b) **Bond Accounting** – Paragraph 37 of SFRS 103 *Business Combinations* and paragraph 43 of SFRS 39 *Financial Instruments: Recognition and Measurement* – in respect of unsecured non-convertible bonds issued by the Company in 2013 (the "**Non-Convertible Bonds**") in connection with the acquisition by the Group of PT IMAS, ACRA was of the view that the Company should have recognised the purchase consideration for such business acquisition based on the fair value of the Non-Convertible Bonds (i.e. S$81.7 million) instead of their principal amount (i.e. S$104.7 million) and the Group's profit before tax for FY2013 would be reduced by S$23.0 million.

(c) **Consolidation of MSL as a Subsidiary** – Paragraph 7 of SFRS 110 *Consolidated Financial Statements* – the Group's investment in MSL by way of its holding of US$202.5 million principal amount of notes and 202.5 million detachable warrants issued by MSL in 2010, should have been accounted for by way of consolidating MSL as a subsidiary pursuant to SFRS 110.

(d) **Classification of Non-Controlling Interest** – Paragraph B96 of SFRS 110 *Consolidated Financial Statements* – the Group had not restated the amount of non-controlling interest transferred to equity, following an acquisition of an additional 19.14% in PT IMAS to reflect the finalised purchase price allocation exercise.

2.3 Restated and Re-Audited Financial Statements

The Company had, in consultation with its Auditors, restated the Original FY2014 Financial Statements and the Original FY2015 Financial Statements to take into account the non-compliance issues raised by ACRA in the Advisory Letter. The Auditors of the Company has completed their audit of the restated FY2014 financial statements and restated FY2015 financial statements and issued their report on 6 April 2017. A copy of each of the Restated and Re-Audited FY2014 Financial Statements and Restated and Re-Audited FY2015 Financial Statements is annexed to Annex A and Annex B of this Appendix, respectively.

Apart from changes arising from the non-compliance issues raised by ACRA in the Advisory Letter, no material changes were made to the Original FY2014 Financial Statements and Original FY2015 Financial Statements. The Restated and Re-Audited FY2014 Financial Statements and Restated and Re-Audited FY2015 Financial Statements supersede the Original FY2014 Financial Statements and the Original FY2015 Financial Statements, respectively.

The resolution for the Shareholders to receive and adopt the Restated and Re-Audited FY2014 Financial Statements and Restated and Re-Audited FY2015 Financial Statements is set out in Ordinary Resolution 8 of the Notice of AGM.

2.4 Additional Information

In addition to the information set out above, in relation to the non-compliance issues raised by ACRA in the Advisory Letter, the following is set out below for the information of the Shareholders:

(a) **Classification of Currency Translation –** the Company had already restated the Consolidated Statement of Cash Flows for FY2014 and set out such numbers in the Original FY2015 Financial Statements to take into account the classification of currency translation as mentioned in Section 2.2(a) above. The Company has also made similar amendments in the Restated and Re-Audited FY2014 Financial Statements.

(b) **Bond Accounting** – In the Original FY2014 Financial Statements and Original FY2015 Financial Statements, the Company had viewed the issue of the Non-Convertible Bonds as a separate fund raising exercise to pay for the acquisition by the Group of PT IMAS. As such, and with the agreement of the Auditors, the Company did not adopt the fair value of the Non-Convertible Bonds for the purpose of SFRS 103 *Business Combinations*. The Company had instead made a fair value adjustment to the Non-Convertible Bonds for the purpose of SFRS 39 *Financial Instruments: Recognition and Measurement*, and recognised S$20,579,000 in its income statement previously.

The Company has restated the "Goodwill" and "Retained Profit" in the Restated and Re-Audited FY2014 Financial Statements and Restated and Re-Audited FY2015 Financial Statements to take into account the fair value calculation of the Non-Convertible Bonds for the purpose of SFRS 103 *Business Combinations*. The Company has made a fair value adjustment to the Non-Convertible Bonds and deducted the amount of the adjustment from the purchase consideration to arrive at the goodwill value resulting from the acquisition by the Group of PT IMAS.

The Non-Convertible Bonds were fully redeemed in FY2015 by the Company and there is no outstanding liability in the audited financial statements of the Company for FY2016.

(c) **Consolidation of MSL as a Subsidiary** – In the Original FY2014 Financial Statements and Original FY2015 Financial Statements, the Company had not consolidated MSL as MSL was not a subsidiary of the Company as defined under the then prevailing Section 5 of the Companies Act as applicable at the relevant time. This was because, *inter alia*, the Company did not have control of more than half of the issued share capital and voting power of MSL and the Company did not have control of the composition of the board of directors of MSL.

The Company has now, for accounting purposes further to the Advisory Letter, consolidated MSL as a subsidiary in the Restated and Re-Audited FY2014 Financial Statements and Restated and Re-Audited FY2015 Financial Statements.

In relation to the Group's US$202.5 million investment in MSL, the divestment has since been completed with an aggregate consideration of US$330 million for the said divestment.

(d) **Classification of Non-Controlling Interest** – The Restated and Re-Audited FY2014 Financial Statements and Restated and Re-Audited FY2015 Financial Statements have taken into account the restatement of the amount of non-controlling interest transferred to equity.

2.5 Please refer to Annex C and Annex D of this Appendix which set out (i) the comparison between the Original FY2014 Financial Statements and the Restated and Re-Audited FY2014 Financial Statements, and (ii) the comparison between the Original FY2015 Financial Statements and the Restated and Re-Audited FY2015 Financial Statements, respectively.

2.6 Conclusion

The issues identified in the Advisory Letter are specific to the Relevant Accounting Standards and arise out of bona fide differences in the interpretation of the Relevant Accounting Standards in respect of which the Auditors of the Company were involved. The Restated and Re-Audited FY2014 Financial Statements and Restated and Re-Audited FY2015 Financial Statements are required by ACRA to comply with their technical opinion on the Relevant Accounting Standards, the application of which requires judgment. However, in the interest of achieving closure of the matter, the Company has voluntarily complied with the Advisory Letter and together with its Auditors has proceeded with the restatement and re-audit of the Original FY2014 Financial Statements and Original FY2015 Financial Statements. The Company wishes to highlight that compliance with ACRA's requirements relates to past events and arising from such compliance, the Restated and Re-Audited FY2014 Financial Statements and the Restated and Re-Audited FY2015 Financial Statement reflect net losses of S$6,236,000 (as compared to a net profit position of S$4,346,000 under the Original FY2014 Financial Statements), and S$163,376,000 (as compared to a net loss position of S$126,047,000 under the Original FY2015 Financial Statements), respectively. However, on the same basis, the divestment of the Group's investment in MSL as announced on 25 April 2016 has now been treated in the financial statements for the financial year ended 31 December 2016 ("**FY2016 Financial Statements**") as a disposal of a subsidiary which gave rise to a gain in the FY2016 Financial Statements.

3. THE PROPOSED RENEWAL OF THE IPT MANDATE

3.1 Background

The existing IPT Mandate was approved by Shareholders at the 2013 AGM held on 30 April 2013, to authorise the Company, its subsidiaries and its associated companies which are considered to be "entities at risk" within the meaning of Rule 904(2) of the Listing Manual to enter into certain categories of transactions with specified classes of the Company's interested persons, provided that such transactions are entered into on an arm's length basis and on normal commercial terms. Particulars of the existing IPT Mandate were set out in the appendix to the Notice of the 2013 AGM and Ordinary Resolution 8 set out in the Notice of the 2013 AGM. The existing IPT was renewed by Shareholders at the 2016 AGM held on 26 April 2016.

The renewed IPT Mandate was expressed to take effect until the date of the forthcoming AGM of the Company being the 2017 AGM which is scheduled to be held on 28 April 2017. Accordingly, Shareholders' approval is being sought for the renewal of the IPT Mandate at the 2017 AGM.

3.2 Chapter 9 of the Listing Manual ("Chapter 9")

Chapter 9 governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be entities at risk, with the listed company's interested persons. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

Under Chapter 9, where a listed company or any of its subsidiaries or any of its associated companies which are controlled by the listed group and its interested person(s) (other than a subsidiary or associated company that is listed on the SGX-ST or an approved stock exchange) proposes to enter into transactions with the listed company's interested persons, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval if the value of the transaction is equal to or exceeds certain financial thresholds. In particular:–

(a) where the value of such transactions is equal to or exceeds 3% of the latest audited consolidated NTA of the listed company and its subsidiaries and is less than 5% of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement is required;

(b) where the value of such transactions is equal to or exceeds 5% of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement and shareholders' approval is required;

(c) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the latest audited consolidated NTA of the listed company and its subsidiaries, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year; and

(d) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 5% or more of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement must be made and shareholders' approval must be obtained in respect of the latest and all future transactions entered into with that interested person during that financial year.

The rules as to making announcements and seeking shareholders' approval referred to above do not apply to transactions below S$100,000.

Based on the Group's audited consolidated financial statements for FY2016, 3% and 5% of the latest audited consolidated NTA of the Group would be approximately S$46.5 million and S$77.5 million, respectively. This is based on the latest audited consolidated NTA of the Group of approximately S$1.5 billion as at 31 December 2016.

Chapter 9 permits a listed company, however, to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.

Under the Listing Manual:

(i) an "entity at risk" means:

(1) the listed company;

(2) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(3) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;

(ii) an "interested person" means a director, chief executive officer or controlling shareholder of the listed company or an associate of any such director, chief executive officer or controlling shareholder;

(iii) an "associate":

(1) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:

(aa) his immediate family (that is, the person's spouse, child, adopted-child, step-child, sibling and parent);

(bb) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(cc) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

(2) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

(iv) an "approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9;

(v) an "interested person transaction" means a transaction between an entity at risk and an interested person; and

(vi) a "transaction" includes:

(1) the provision or receipt of financial assistance;

(2) the acquisition, disposal or leasing of assets;

(3) the provision or receipt of services;

(4) the issuance or subscription of securities;

(5) the granting of or being granted options; and

(6) the establishment of joint ventures or joint investments,

whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

3.3 Rationale for the Renewal of the IPT Mandate

The EAR Group may enter into the Interested Person Transactions set out in Section 3.4 (Categories of Interested Person Transactions) of this Appendix. Such Interested Person Transactions will occur with some degree of frequency and could arise at any time and from time to time. In view of the time-sensitive, confidential and frequent nature of such Interested Person Transactions, the Directors are seeking Shareholders' approval for the renewal of the IPT Mandate, in respect of transactions between (i) the EAR Group and (ii) the classes of interested persons set out in Section 3.5 (Classes of Interested Persons) of this Appendix, provided that such transactions are entered into at arm's length and on normal commercial terms, are not prejudicial to the interests of the Company and minority shareholders and are subject to the Review Procedures set out in Section 3.6 (Guidelines and Review Procedures) of this Appendix.

The IPT Mandate will facilitate transactions in the operations of the Group's business and allow the Group to conduct its business efficiently by eliminating the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential Interested Person Transactions (as set out in Section 3.4 of this Appendix) may arise. The IPT Mandate will facilitate more efficient operation of the Group's business by reducing substantially administrative time and expenses in convening such general meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

3.4 Categories of Interested Person Transactions

The types of transactions with interested persons to be covered by the IPT Mandate relate principally to the provision or the procurement or obtaining of products and services in the operations of the EAR Group's businesses, which include the transactions described below:

(i) the rental of vehicles (which includes without limitation, passenger cars, motorcycles, commercial vehicles, trucks and heavy equipment, and other forms of transportation);

(ii) the rental and leasing of land, warehouses, factories, offices, service centres, shop units, check-in counters and other buildings, premises and properties;

(iii) the obtaining of insurance and insurance-related services;

(iv) the sale and purchase of land, buildings, premises and properties which are of a revenue nature;

(v) the sale, purchase, promotion, distribution, assembly and manufacturing of vehicles (which includes without limitation, passenger cars, motorcycles, commercial vehicles, trucks and heavy equipment, and other forms of transportation), stamping dies, vehicle spare parts and accessories, and other vehicle-related products;

(vi) the provision of land clearing, overburden removal, hauling, mud removal, and general contracting works and other services in mines, agricultural lands, plantations and other properties;

(vii) the provision or the procurement or obtaining of financial resources and services (which include without limitation, loans, hire-purchase services and guarantees);

(viii) the granting or the procurement or obtaining of concession and other rights relating to the financing, design, construction, management and/or operation of a facility or facilities;

(ix) the provision of maintenance and repair services for vehicles (which includes without limitation, passenger cars, motorcycles, commercial vehicles, trucks and heavy equipment, and other forms of transportation), vehicle spare parts and accessories, and other vehicle-related products;

(x) the provision of transportation, logistics and related services;

(xi) the sourcing, supply and distribution of fuel and other energy sources;

(xii) the provision of utilities;

(xiii) the provision of telecommunication services;

(xiv) the provision of television broadcast services;

(xv) the provision or the procurement or obtaining of professional, management, operational, administrative and support services including secondment arrangements and finance and treasury, business development, marketing, planning and development consultancy and technical assistance, management information systems, information technology, human resource, corporate communications (including investor relations), taxation, audit, legal, internal control, corporate secretarial services, administration of pension funds and any other professional services; and

(xvi) the provision or the procurement or obtaining of such other products and/or services which are incidental to or in connection with the provision or the procurement or obtaining of products and/or services in sub-paragraphs (i) to (xv) above.

3.5 Classes of Interested Persons

The IPT Mandate will apply to the following classes of interested persons:

(i) the Salim Group;

(ii) the IMAS Group; and

(iii) directors, chief executive officer and controlling shareholders of the Company or an associate of any such director, chief executive officer and controlling shareholder.

Transactions with interested persons which do not fall within the ambit of the proposed IPT Mandate will be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

3.6 Guidelines and Review Procedures

The parties responsible for reviewing and approving Interested Person Transactions are as follows:

(i) All Interested Person Transactions, other than the Professional, Administrative and Support Services referred to in Section 3.4(xv) of this Appendix

(a) individual transactions less than S$10,000,000[1] in value will be subject to review and approval by any Executive Director or Chief Executive Officer ("**CEO**") of the Company or such other officer(s) designated by the CEO (who do not have any interest, whether direct or indirect, in the transaction);

(b) individual transactions in value equal to, or exceeding, S$10,000,000 each will be subject to review and approval by the Audit Committee; and

(c) where the aggregate value of all transactions with the same interested person in the same financial year is equal to or exceeds S$20,000,000[2]:

(1) the relevant Interested Person Transaction which will result in the aggregate value of all transactions with the same interested person in the same financial year being equal to or exceeding S$20,000,000, will be subject to review and approval by the Audit Committee;

(2) thereafter, the relevant Interested Person Transaction which will result in the aggregate value of all transactions with the same interested person in the same financial year being equal to or exceeding S$25,000,000[3], will be subject to review and approval by the Audit Committee;

(3) thereafter, each relevant Interested Person Transaction which will result in the aggregate value of all transactions with the same interested person in the same financial year being equal to or exceeding an amount which is a multiple of S$5,000,000 in excess of S$25,000,000, will be subject to review and approval by the Audit Committee; and

(4) any other transaction(s) with the same interested person in the same financial year which does not fall within the review procedures set out in sub-paragraphs (i)(c)(1) to (3) above, will be subject to review and approval by any Executive Director or the CEO of the Company or such other officer(s) designated by the CEO (who do not have any interest, whether direct or indirect, in the transaction),

Provided that any transaction (1) which has been approved by the Shareholders, or (2) which is of a value below S$100,000, need not be included in the computation of the quantums herein.

1 This is approximately 0.6% of the latest audited consolidated NTA of the Group of approximately S$1.5 billion as at 31 December 2016.

2 This is approximately 1.3% of the latest audited consolidated NTA of the Group of approximately S$1.5 billion as at 31 December 2016.

3 This is approximately 1.6% of the latest audited consolidated NTA of the Group of approximately S$1.5 billion as at 31 December 2016.

(ii) Professional, Administrative and Support Services referred to in Section 3.4(xv) of this Appendix

(a) individual transactions less than S$1,000,000[1] in value will be subject to review and approval by any Executive Director or CEO of the Company or such other officer(s) designated by the CEO (who do not have any interest, whether direct or indirect, in the transaction); and

(b) individual transactions in value equal to, or exceeding, S$1,000,000 each will be subject to review and approval by the Audit Committee,

Provided that any transaction (1) which has been approved by the Shareholders, or (2) which is of a value below S$100,000, need not be included in the computation of the quantums herein.

Prior to approving such transactions, the Executive Director, CEO or the Audit Committee (as the case may be) will satisfy itself that the pricing or fee structure for such service(s) is fair and reasonable and the terms are on normal commercial terms.

To ensure that the Interested Person Transactions are undertaken on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the interested person(s) than those extended to unrelated third parties, members of the EAR Group will be required to document the Interested Person Transactions and the following review procedures will be implemented by the Company:

(a) When engaging the services of or purchasing products from an interested person (other than Professional, Administrative and Support Services), quotations from at least two (2) other unrelated third party suppliers for similar quantities and/or quality of services or products will be obtained (whenever possible or available) for comparison. The pricing or fees for services or products will not be higher than the most competitive price or fee obtained through the unrelated third party quotations to ensure that the price and terms offered by the interested person are fair and reasonable and competitive to those offered by other unrelated third parties for the same or similar type of services or products. In determining whether the price and terms offered by the interested person are fair and reasonable, all pertinent factors, including but not limited to quality, delivery time, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, may also be taken into consideration.

In the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors providing or selling a similar type of service or product), the Audit Committee will determine whether the price and terms offered by the interested person are fair and reasonable. In determining the transaction price payable to the interested person for such services or products, all pertinent factors, including but not limited to quality, delivery time, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, may also be taken into consideration.

(b) When supplying services or selling products to an interested person, the pricing or fees for the services or products are to be carried out at the prevailing market rates or prices of the service or product providers, on terms no more favourable to the interested person than the usual commercial terms extended to unrelated third

1 This is approximately 0.06% of the latest audited consolidated NTA of the Group of approximately S$1.5 billion as at 31 December 2016.

parties (including, where applicable, preferential rates, process and/or discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms.

In the event that prevailing market rates or prices are not available (for instance due to the nature of the service to be provided or the product to be sold or if there are no other customers for similar products or services), the transaction prices will, where applicable, be in accordance with the Group's usual business practices and pricing policies, consistent with the usual margin of the Group for the same or substantially similar type(s) of transaction with unrelated third parties. In determining the transaction price payable by the interested person for such services or products, all pertinent factors, including but not limited to quantity, duration of contract, volume, strategic purposes of the transaction, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, may also be taken into consideration.

(c) When renting properties from or to an interested person, appropriate steps will be taken to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties and obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate). The rent payable shall be based on the most competitive market rental rate of similar property in terms of size and location, based on the results of the relevant enquiries.

(d) In relation to the engagement of an interested person for the provision of any Professional, Administrative and Support Services, the fees to be paid to the interested person for such service(s) will be (i) based on the actual cost incurred by the interested person in providing such service, or (ii) equal to or less than the fees charged by or paid to unrelated third parties for comparable services rendered by such unrelated third parties.

(e) The Audit Committee will also:

(i) carry out periodic reviews (at least twice a year) to ascertain that the established Review Procedures for transactions with interested persons have been complied with and the relevant approvals have been obtained; and

(ii) consider from time to time whether the established Review Procedures for transactions with interested persons have become inappropriate or are unable to ensure that the transactions will be carried out on normal commercial terms, and will not be prejudicial to the minority Shareholders.

To ensure that the transactions described in (b), (c) and (d) above will be on normal commercial terms and at a fair market price, the terms of the transactions will (where applicable) be in accordance with industry norms and the Group's usual practices and policies consistent with the Group's usual margin, and no less favourable than similar transactions on similar terms and conditions accorded by the interested person to an unrelated party and sale to interested persons shall not be more favourable than terms extended to unrelated third party by the Group or extended by the Group to unrelated third parties, taking into account all commercial interests of the Group and commercial factors including but not limited to timing, competitiveness, expediency, pricing, quality, bulk purchases, convenience and frequency of transactions.

3.7 Excluded Transactions

The IPT Mandate will not cover any transaction with an interested person that is below S$100,000 in value, as Chapter 9 provides that any such transaction is to be disregarded.

Transactions between the EAR Group and the Company's interested persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9, or other applicable provisions of the Listing Manual, if any.

3.8 Validity Period of the IPT Mandate

If approved by Shareholders at the 2017 AGM, the renewed IPT Mandate will take effect from the passing of the ordinary resolution relating thereto at the 2017 AGM, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM of the Company.

Approval from Shareholders will be sought for the renewal of the IPT Mandate at the 2017 AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to transactions with the Company's interested persons.

3.9 Disclosure

Disclosure will be made in the Company's annual report of the aggregate value of the transactions conducted with interested persons pursuant to the IPT Mandate during the relevant financial year, and in the annual reports for the subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9.

3.10 Directors' and Substantial Shareholders' Interests

The interests of the Directors of the Company in the issued share capital of the Company can be found in Section 4.10.1 of this Appendix.

The interests of the Substantial Shareholders of the Company in the issued share capital of the Company can be found in Section 4.10.2 of this Appendix.

3.11 Statement by the Audit Committee

The Audit Committee of the Company has reviewed the terms of the proposed IPT Mandate and has confirmed that the methods or procedures for determining the transaction prices of the Interested Person Transactions have not changed since the last shareholder approval for the IPT Mandate at the AGM held on 26 April 2016. The Audit Committee is also of the view that such methods or procedures for determining the transaction prices of the Interested Person Transactions are, if adhered to, sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. However, should the Audit Committee subsequently no longer be of this opinion, the Company will revert to the Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the Company's interested persons.

4. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

4.1 Background

The Share Purchase Mandate was approved by Shareholders on 23 January 2009 and was last renewed at the 2016 AGM, to enable the Company to purchase or otherwise acquire issued Shares. The rationale for, and the authority and limitations on, the Share Purchase Mandate were set out in the appendix to the Notice of the 2016 AGM and Ordinary Resolution 10 set out in the Notice of the 2016 AGM.

The existing Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 10 at the 2016 AGM and will expire on the date of the forthcoming AGM being the 2017 AGM which is scheduled to be held on 28 April 2017. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the 2017 AGM.

4.2 Shares Purchased or Acquired during the Previous 12 Months

As at the Latest Practicable Date, the Company has not made any purchase or acquisition of Shares during the 12-month period preceding the Latest Practicable Date.

4.3 Rationale for the Renewal of the Share Purchase Mandate

The proposed Share Purchase Mandate will give the Company the flexibility to undertake purchases or acquisitions of its issued Shares during the period when the Share Purchase Mandate is in force, if and when circumstances permit. The purchases or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, allow the Directors to better manage the Company's capital structure with a view to enhancing the earnings per share and/or net asset value per share of the Group. The purchases or acquisitions of Shares may, in appropriate circumstances, also help to mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence.

The Directors will decide whether to effect the purchases or acquisitions of the Shares after taking into account the prevailing market conditions, the financial position of the Group and other relevant factors.

4.4 Terms of the Proposed Share Purchase Mandate

The authority and limitations placed on the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate (if renewed at the 2017 AGM), are substantially the same as those previously approved by Shareholders at the 2016 AGM and are summarised below:

4.4.1 *Maximum Number of Shares*

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company shall not exceed 10% of the total number of Shares (excluding any Shares which are held as treasury shares) in issue as at the date of the 2017 AGM at which the renewal of the Share Purchase Mandate is approved.

4.4.2 *Duration of Authority*

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the date of the AGM at which the renewal of the Share Purchase Mandate is approved up to the earliest of:

(a) the date on which the next AGM is held or required by law to be held; or

(b) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated; or

(c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting.

4.4.3 *Manner of Purchases or Acquisitions of Shares*

Purchases or acquisitions of Shares by the Company may be made by way of:

(a) an on-market purchase transacted through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchase**"); and/or

(b) an off-market purchase in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Purchase**").

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Constitution of the Company, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in connection with or in relation to an equal access scheme or schemes.

Under the Companies Act, an equal access scheme must satisfy all the following conditions:

(a) the offers under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;

(b) all of those persons have a reasonable opportunity to accept the offers made to them; and

(c) the terms of all the offers are the same except that there shall be disregarded:

  (i) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements;

  (ii) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and

  (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

Under the Listing Manual, in making an Off-Market Purchase, a listed company must issue an offer document to all shareholders containing, *inter alia*, the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed share purchases;

(d) the consequences, if any, of share purchases by the listed company that will arise under the Take-over Code or other applicable take-over rules;

(e) whether the share purchases, if made, could affect the listing of the listed company's equity securities on the SGX-ST; and

(f) details of any share purchases made by the listed company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases.

Any Share purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share shall expire on cancellation), unless such Share is held by the Company as a treasury share.

4.4.4 *Maximum Purchase Price*

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors, provided that such purchase price must not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and

(b) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined hereinafter),

(the "**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition.

For the purposes of this Appendix:

"**Average Closing Price**" means the average of the Closing Market Prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five (5) Market Day period;

"**Closing Market Price**" means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources; and "**date of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

4.5 Status of Purchased or Acquired Shares: Held in Treasury or Cancelled

Any Shares purchased or acquired pursuant to the Share Purchase Mandate will be dealt with in such manner as may be permitted by the Companies Act.

Under the Companies Act, any Share purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share shall expire on cancellation), unless such Share is held by the Company in treasury in accordance with Sections 76H to 76K of the Companies Act.

4.5.1 *Treasury Shares*

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Certain of the provisions on treasury shares under the Companies Act are summarised below:

(a) Maximum Holding: The aggregate number of Shares held by the Company as treasury shares shall not at any time exceed 10% of the total number of Shares in issue at that time. In the event that the aggregate number of treasury shares held by the Company exceeds the aforesaid limit, the Company shall dispose of or cancel the excess treasury shares within six (6) months from the day the aforesaid limit is first exceeded.

(b) Voting and Other Rights: The Company cannot exercise any right in respect of the treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal or Cancellation: Where Shares are held as treasury shares, the Company may at any time:

(i) sell the treasury shares (or any of them) for cash;

(ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

(iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares (or any of them); or

(v) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as (i) the date of the sale, transfer, cancellation and/or use of such treasury shares, (ii) the purpose of such sale, transfer, cancellation and/or use of such treasury shares, (iii) the number of treasury shares which have been sold, transferred, cancelled and/or used, (iv) the number of treasury shares before and after such sale, transfer, cancellation and/or use, (v) the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and (vi) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

4.5.2 *Purchased or Acquired Shares Cancelled*

Under the Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

(a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;

(b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or

(c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled, which shall include any expenses (including brokerage or commission) incurred directly in such purchase or acquisition of Shares.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

4.6 Source of Funds

In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Constitution of the Company and in accordance with applicable laws in Singapore.

The Companies Act permits any purchase or acquisition of shares to be made out of a company's capital or profits so long as the company is solvent. For this purpose, a company is "solvent" if at the time of the payment, the following conditions are satisfied:

(a) there is no ground on which the company could be found to be unable to pay its debts;

(b) if:

  (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or

  (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

(c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use the Group's internal resources or external bank borrowings or a combination of both to finance its purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire Shares under the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that would materially and adversely affect the working capital requirements, the gearing levels of the Group and the financial position of the Group taken as a whole.

4.7 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares, whether the purchase or acquisition is made out of capital or profits of the Company and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial accounts of the Company and the Group for FY2016, are based on the assumptions set out below.

4.7.1 *Purchase or Acquisition of Shares made out of Capital or Profits*

Where the purchase or acquisition of Shares is made out of capital, the profits available for distribution as dividends by the Company will not be reduced. Where the purchase or acquisition of Shares is made out of profits, the purchase price paid by the Company for the Shares will correspondingly reduce the profits available for distribution as dividends by the Company.

Based on the audited accounts of the Company for FY2016, the Company had accumulated losses of approximately S$87.4 million as at 31 December 2016. Accordingly, in respect of the Share Purchase Mandate sought at the 2017 AGM, it is expected that any purchase or acquisition of Shares will be made out of capital and not out of profits.

For the purposes of Section 4.7 of this Appendix, the purchase price paid by the Company for the Shares does not include any expenses (including brokerage or commission) incurred in such purchase or acquisition of the Shares.

4.7.2 ***Number of, and Maximum Price paid for, Shares Purchased or Acquired***

Based on 4,824,965,112 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the 2017 AGM, the purchase or acquisition by the Company of up to the maximum limit of 10% of the total number of its issued Shares will result in the purchase or acquisition by the Company of up to 482,496,511 Shares.

The financial effects of the purchase or acquisition of Shares by the Company set out in this section are on the basis of the purchase or acquisition of 482,496,000 Shares (rounded down to the nearest 1,000 Shares) made entirely out of the capital of the Company.

In the case of Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 482,496,000 Shares at the Maximum Price of S$0.180 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares immediately preceding the Latest Practicable Date (rounded down to the nearest S$0.005)), the maximum amount of funds required for the purchase or acquisition of 482,496,000 Shares is approximately S$86.8 million.

In the case of Off-Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 482,496,000 Shares at the Maximum Price of S$0.213 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 482,496,000 Shares is approximately S$102.7 million.

4.7.3 ***Illustrative Financial Effects***

It is not possible for the Company to realistically calculate or quantify the financial effects of Share purchases or acquisitions that may be made pursuant to the Share Purchase Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, based on the audited financial statements of the Company and the Group for FY2016, the assumptions stated above and assuming the purchases or acquisitions of Shares by the Company are funded from internal resources and external bank borrowings, the effects of such purchases or acquisitions of Shares by way of Market Purchases and Off-Market Purchases on the financial positions of the Company and the Group under each of the following Scenarios A and B are as set out in the tables below:

(a) **Scenario A**: Market Purchases or Off-Market Purchases (as the case may be) of 482,496,000 Shares made entirely out of capital and **held as treasury shares**; and

(b) **Scenario B**: Market Purchases or Off-Market Purchases (as the case may be) of 482,496,000 Shares made entirely out of capital and **cancelled**.

(1) Market Purchases

As at 31 December 2016 (audited)	GROUP			COMPANY		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		Scenario A	Scenario B		Scenario A	Scenario B
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Profit/(Loss) attributable to equity holders	72,157	72,157	72,157	30,863	30,863	30,863
Share capital	1,880,154	1,880,154	1,793,305	1,880,154	1,880,154	1,793,305
Reserves	(331,048)	(331,048)	(331,048)	(11,476)	(11,476)	(11,476)
Treasury shares	–	(86,849)	–	–	(86,849)	–
Shareholders' funds	1,549,106	1,462,257	1,462,257	1,868,678	1,781,829	1,781,829
NAV[1]	1,549,106	1,462,257	1,462,257	1,868,678	1,781,829	1,781,829
Current assets[2]	2,293,603	2,206,754	2,206,754	331,505	244,656	244,656
Current liabilities[2]	1,458,391	1,458,391	1,458,391	773,369	773,369	773,369
Net current assets/(liabilities)[2]	835,212	748,363	748,363	(441,864)	(528,713)	(528,713)
Total borrowings[3]	2,437,479	2,437,479	2,437,479	970,750	970,750	970,750
Cash & cash equivalents	425,413	338,564	338,564	196,134	109,285	109,285
Number of Shares (in '000)[4]	4,824,965	4,342,469	4,342,469	4,824,965	4,342,469	4,342,469
Treasury shares (in '000)	–	482,496	–	–	482,496	–
Financial Ratios						
EPS – cents	1.50	1.66	1.66	0.64	0.71	0.71
NAV per Share – cents	32.11	33.67	33.67	38.73	41.03	41.03
Gearing ratio[5]	1.30	1.44	1.44	0.41	0.48	0.48
Current ratio (times)[6]	1.57	1.51	1.51	0.43	0.32	0.32

Notes:

(1) NAV equals shareholders' funds.

(2) Net current assets equals current assets less current liabilities. As at 31 December 2016, the Company had approximately S$331.5 million of current assets, out of which approximately S$196.1 million was in the form of cash and bank balances. The Company also had current liabilities of approximately S$773.4 million as at 31 December 2016, out of which approximately S$517.2 million were amounts due to subsidiary companies. The Group on a consolidated basis had approximately S$425.4 million of cash and bank balances as at 31 December 2016.

(3) Total borrowings for the Company have been adjusted to take into account additional inter-company borrowings and external bank borrowings for the purchase of Shares.

(4) Based on the number of Shares issued as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.

(5) Gearing ratio equals net debts (i.e. total borrowings after deducting cash and cash equivalents) divided by shareholders' funds.

(6) Current ratio equals current assets divided by current liabilities.

As illustrated under Scenarios A and B in the table above, the Market Purchases of 482,496,000 Shares made entirely out of capital and held as treasury shares (under Scenario A) or cancelled (under Scenario B), as the case may be, will have the effect of reducing the NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2016 will increase from 32.11 cents to 33.67 cents.

Assuming that the purchase of Shares had taken place on 1 January 2016, the consolidated basic earnings per Share of the Group for FY2016 would increase from 1.50 cents per Share to 1.66 cents per Share as a result of the reduction in the number of issued Shares under Scenarios A and B. No adjustment has been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

(2) Off-Market Purchases

	GROUP			**COMPANY**		
As at 31 December 2016 (audited)	**Before Share Purchase**	**After Share Purchase Scenario A**	**After Share Purchase Scenario B**	**Before Share Purchase**	**After Share Purchase Scenario A**	**After Share Purchase Scenario B**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Profit/(Loss) attributable to equity holders	72,157	72,157	72,157	30,863	30,863	30,863
Share capital	1,880,154	1,880,154	1,777,440	1,880,154	1,880,154	1,777,440
Reserves	(331,048)	(331,048)	(331,048)	(11,476)	(11,476)	(11,476)
Treasury shares	–	(102,714)	–	–	(102,714)	–
Shareholders' funds	1,549,106	1,446,392	1,446,392	1,868,678	1,765,964	1,765,964
NAV[1]	1,549,106	1,446,392	1,446,392	1,868,678	1,765,964	1,765,964
Current assets[2]	2,293,603	2,190,889	2,190,889	331,505	228,791	228,791
Current liabilities[2]	1,458,391	1,458,391	1,458,391	773,369	773,369	773,369
Net current assets/(liabilities)[2]	835,212	732,498	732,498	(441,864)	(544,578)	(544,578)
Total borrowings[3]	2,437,479	2,437,479	2,437,479	970,750	970,750	970,750
Cash & cash equivalents	425,413	322,699	322,699	196,134	93,420	93,420
Number of Shares (in '000)[4]	4,824,965	4,342,469	4,342,469	4,824,965	4,342,469	4,342,469
Treasury shares (in '000)	–	482,496	–	–	482,496	–
Financial Ratios						
EPS – cents	1.50	1.66	1.66	0.64	0.71	0.71
NAV per Share – cents	32.11	33.31	33.31	38.73	40.67	40.67
Gearing ratio[5]	1.30	1.46	1.46	0.41	0.50	0.50
Current ratio (times)[6]	1.57	1.50	1.50	0.43	0.30	0.30

Notes:

(1) NAV equals shareholders' funds.

(2) Net current assets equals current assets less current liabilities. As at 31 December 2016, the Company had approximately S$331.5 million of current assets, out of which approximately S$196.1 million was in the form of cash and bank balances. The Company also had current liabilities of approximately S$773.4 million as at 31 December 2016, out of which approximately S$517.2 million were amounts due to subsidiary companies. The Group on a consolidated basis had approximately S$425.4 million of cash and bank balances as at 31 December 2016.

(3) Total borrowings for the Company have been adjusted to take into account additional inter-company borrowings and external bank borrowings for the purchase of Shares.

(4) Based on the number of Shares issued as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.

(5) Gearing ratio equals net debts (i.e. total borrowings after deducting cash and cash equivalents) divided by shareholders' funds.

(6) Current ratio equals current assets divided by current liabilities.

As illustrated under Scenarios A and B in the table above, the Off-Market Purchases of 482,496,000 Shares made entirely out of capital and held as treasury shares (under Scenario A) or cancelled (under Scenario B), as the case may be, will have the effect of reducing the NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2016 will increase from 32.11 cents to 33.31 cents.

Assuming that the purchase of Shares had taken place on 1 January 2016, the consolidated basic earnings per Share of the Group for FY2016 would increase from 1.50 cents per Share to 1.66 cents per Share as a result of the reduction in the number of issued Shares under Scenarios A and B. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

Shareholders should note that the financial effects set out above, based on the respective assumptions stated above, are for illustration purposes only and are not necessarily representative of future financial performance. In addition, the actual impact will depend on, *inter alia*, the actual number and price of Shares that may be purchased or acquired by the Company and whether the Shares purchased or acquired are held in treasury or cancelled.

Although the Share Purchase Mandate would authorise the Company to purchase up to 10% of the total number of the Company's issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of the issued Shares as mandated. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury. The Directors would emphasise that they do not propose to exercise the Share Purchase Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Group taken as a whole, or result in the Company being delisted from the SGX-ST.

4.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

4.9 Listing Manual

4.9.1 *No Purchases during Price Sensitive Developments*

Whilst the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a consideration and/or decision of the board of directors of the Company until the price sensitive information has been publicly announced.

In particular, in-line with Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's annual results and during the period of two (2) weeks immediately preceding the announcement of the Company's financial statements for each of the first three quarters of its financial year.

4.9.2 *Listing Status of the Shares*

Under Rule 723 of the Listing Manual, a listed company shall ensure that at least 10% of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The word "public" is defined in the Listing Manual as persons other than directors, chief executive officer, substantial shareholders, or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are 668,891,669 Shares, representing approximately 13.86% of the total number of issued Shares, held by the public. In the event that the Company purchases the maximum of 10% of its total number of issued Shares from public Shareholders, the percentage of the Company's public float would be reduced to approximately 3.86% of the total number of Shares in issue. The Company will not effect an acquisition or purchase of Shares if such acquisition or purchase will result in the number of Shares remaining in public hands falling to such a level as to adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

4.9.3 *Reporting Requirements*

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (ii) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares (excluding treasury shares) after the purchase and the number of treasury shares held after the purchase.

4.10 Certain Take-over Code implications arising from the Proposed Share Purchase Mandate

Certain take-over implications arising from the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are summarised below.

If, as a result of any purchase or acquisition of Shares made by the Company under the Share Purchase Mandate, the proportionate interest of a Shareholder and persons acting in concert with him in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or group of Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the Take-over Code presumes *inter alia*, the following individuals and companies to be acting in concert with each other: (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, a company is an associated company of another company if the second-mentioned company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

The circumstances under which Shareholders, including Directors, and persons acting in concert with them, respectively, will incur an obligation to make a take-over offer as a result of a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 is that unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of a purchase or acquisition of Shares by the Company:

(a) the percentage of voting rights held by such Directors and their concert parties in the Company increase to 30% or more; or

(b) if the Directors and their concert parties hold between 30% and 50% of the Company's voting rights, and their voting rights increase by more than 1% in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% to 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Any Shares held by the Company as treasury shares shall be excluded from the calculation of the percentages of voting rights under the Take-over Code referred to above.

4.10.1 *Shareholding Interests of Directors*

Assuming that the shareholdings of the Directors of the Company are as set out in the Register of Directors' Shareholdings as at the Latest Practicable Date, and on the basis that (i) the Company purchases or acquires the maximum of 10% of the share capital of the Company of 4,824,965,112 Shares, (ii) there is no change in the number of Shares in which the Directors have an interest as at the Latest Practicable Date, (iii) there are no further issue of Shares and (iv) no Shares are held by the Company as treasury shares on or prior to the 2017 AGM, the interests of the Directors of the Company in the Shares of the Company before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, will be as follows:

	Number of Shares Held			% Before	% After
Name of Director	**Direct Interest**	**Deemed Interest**	**Total Interest**	**Share Purchase**	**Share Purchase**
Lim Hock San	1,714,000	–	1,714,000	0.04	0.04
Eugene Cho Park	200,000	–	200,000	n.m[1]	n.m[1]
Gianto Gunara	200,000	–	200,000	n.m[1]	n.m[1]
Jusak Kertowidjojo	–	–	–	–	–
Choo Kok Kiong	–	–	–	–	–
Tan Chin Nam	–	–	–	–	–
Axton Salim	–	–	–	–	–
Foo Ko Hing	–	–	–	–	–
Rivaie Rachman	–	–	–	–	–

Note:

(1) "n.m" denotes not meaningful.

4.10.2 *Shareholding Interests of Substantial Shareholders*

Assuming that the shareholdings of the Substantial Shareholders of the Company are as set out in the Register of Substantial Shareholders as at the Latest Practicable Date, and on the basis that (i) the Company purchases or acquires the maximum of 10% of the share capital of the Company of 4,824,965,112 Shares, (ii) there is no change in the number of Shares in which the Substantial Shareholders have an interest as at the Latest Practicable Date, (iii) there are no further issue of Shares and (iv) no Shares are held by the Company as treasury shares on or prior to the 2017 AGM, the interests of the Substantial Shareholders of the Company before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, will be as follows:

	Number of Shares Held			% Before	% After
Name of Substantial Shareholder	**Direct Interest**	**Deemed Interest**	**Total Interest**	**Share Purchase**	**Share Purchase**
Parallax Venture Partners XXX Ltd ("**PVP**")	2,936,862,151	657,011,738	3,593,873,889	74.48	82.76
Salim Wanye (Shanghai) Enterprises Co., Ltd ("**Salim Wanye**")(1)	–	3,593,873,889	3,593,873,889	74.48	82.76
Jaslene Limited ("**Jaslene**")(1)	–	3,593,873,889	3,593,873,889	74.48	82.76

Name of Substantial Shareholder	Number of Shares Held Direct Interest	Deemed Interest	Total Interest	% Before Share Purchase	% After Share Purchase
Success Medal International Limited ("**Success Medal**")[(1)]	–	3,593,873,889	3,593,873,889	74.48	82.76
Salim & Van (Shanghai) Investment Ltd ("**Salim & Van**")[(1)]	–	3,593,873,889	3,593,873,889	74.48	82.76
Manyip Holdings Limited ("**Manyip**")[(1)]	–	3,593,873,889	3,593,873,889	74.48	82.76
Dornier Profits Limited ("**Dornier Profits**")	189,545,100	467,466,638	657,011,738	13.62	15.13
Anthoni Salim[(2)]	–	3,596,980,577	3,596,980,577	74.55	82.83
Sembcorp Development Ltd. ("**SDL**")[(3)]	556,978,866	–	556,978,866	11.54	12.83
Sembcorp Industries Ltd ("**SCI**")[(3)]	–	556,978,866	556,978,866	11.54	12.83
Temasek Holdings (Private) Limited ("**Temasek**")[(3)]	–	556,978,866	556,978,866	11.54	12.83

Notes:

(1) Salim Wanye has a controlling interest in PVP and is deemed to be interested in the Shares in which PVP has an interest. Success Medal, together with Salim & Van, has a controlling interest in Salim Wanye and is deemed to be interested in the Shares in which PVP has an interest. Each of Jaslene and Salim & Van has an interest in more than 20% of the issued share capital of Salim Wanye. Manyip, via its controlling interest in Salim & Van, has an interest in more than 20% of the issued share capital of Salim Wanye. Each of Jaslene, Salim & Van and Manyip is deemed to be interested in the Shares in which PVP has an interest.

(2) Anthoni Salim is deemed to have an interest in the Shares owned by Dornier and PVP as well as in 3,106,688 Shares owned by PT Elitindo Citralestari.

(3) Temasek has an interest in more than 20% of the share capital of SCI, and SCI in turn has a controlling interest in SDL. Accordingly, Temasek and SCI are deemed to be interested in the Shares in which SDL has a direct interest.

4.10.3 *Consequences of Share Purchases or Acquisitions by the Company*

Assuming that the shareholdings of the Controlling Shareholders of the Company are as set out in the Register of Substantial Shareholders as at the Latest Practicable Date, and that the Controlling Shareholders do not acquire any Shares, as at the Latest Practicable Date, the Directors are not aware of any Controlling Shareholders who would become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code as a result of any intended purchase of Shares by the Company of the maximum of 482,496,511 Shares (being 10% of the total number of issued Shares based on the share capital of the Company as at the Latest Practicable Date) pursuant to the proposed Share Purchase Mandate.

The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity.

5. DIRECTORS' RECOMMENDATIONS

5.1 The Proposed Renewal of the IPT Mandate

The Directors of the Company as at the date of this Appendix who have no interest in the Interested Person Transactions (namely, Eugene Cho Park, Lim Hock San, Foo Ko Hing and Rivaie Rachman), having considered the rationale for the proposed IPT Mandate, are of the opinion that the proposed renewal of the IPT Mandate is in the interests of the Company and accordingly, they recommend that Shareholders **vote in favour** of Ordinary Resolution 9 in respect of the proposed renewal of the IPT Mandate at the 2017 AGM.

5.2 The Proposed Share Purchase Mandate

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the interests of the Company and, accordingly, they recommend that Shareholders **vote in favour** of the Ordinary Resolution 10 in respect of the proposed renewal of the Share Purchase Mandate at the 2017 AGM.

6. ABSTENTION FROM VOTING

The Salim Group, being an interested person, will abstain and shall procure its associates to abstain from voting on Ordinary Resolution 9 relating to the IPT Mandate to be tabled at the 2017 AGM. The Salim Group and its associates will also not act as proxies in relation to Ordinary Resolution 9 unless voting instructions have been given by the Shareholder.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Restated and Re-Audited FY2014 Financial Statements and the Restated and Re-Audited FY2015 Financial Statement, the proposed renewal of the IPT Mandate and the proposed renewal of the Share Purchase Mandate and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 3 HarbourFront Place, #16-01 HarbourFront Tower Two, Singapore 099254, during normal business hours from the date of this Appendix up to and including the date of the 2017 AGM:

(i) the Constitution of the Company;

(ii) the Original FY2014 Financial Statements;

(iii) the Original FY2015 Financial Statements;

(iv) the Restated and Re-Audited FY2014 Financial Statements;

(v) the Restated and Re-Audited FY2015 Financial Statements; and

(vi) the annual report of the Company for FY2016.

Yours faithfully,
For and on behalf of the Board of Directors of
Gallant Venture Ltd.

Eugene Cho Park
Executive Director and Chief Executive Officer

Financial statements
Gallant Venture Ltd.
and its subsidiaries

31 December 2014

COMPANY INFORMATION

Company registration number	200303179Z
Registered office	3 HarbourFront Place #16-01 HarbourFront Tower Two Singapore 099254
Directors	Lim Hock San (Non-Executive Chairman and Independent Director) Eugene Cho Park (Executive Director and Chief Executive Officer) Gianto Gunara (Executive Director) Jusak Kertowidjojo (Executive Director) (Appointed on 30/04/2014) Choo Kok Kiong (Executive Director) (Appointed on 30/04/2014) Dr Tan Chin Nam (Non-Executive Director) Axton Salim (Non-Executive Director) (Appointed on 30/04/2014) Foo Ko Hing (Independent Director) Rivaie Rachman (Independent Director) BG (Ret) Chin Chow Yoon (Non-Executive Director) (Retired on 30/04/2014)
Audit committee	Lim Hock San (Chairman) Foo Ko Hing Rivaie Rachman
Nominating committee	Rivaie Rachman (Chairman) Lim Hock San Foo Ko Hing
Remuneration committee	Lim Hock San (Chairman) Foo Ko Hing Rivaie Rachman
Company secretary	Choo Kok Kiong
Share registrar	KCK CorpServe Pte. Ltd. 333 North Bridge Road #08-00 KH KEA Building Singapore 188721
Principal bankers	CIMB Singapore Branch PT Bank CIMB Niaga Tbk United Overseas Bank Limited Standard Chartered Bank Ltd
Independent auditor	Foo Kon Tan LLP (formerly known as Foo Kon Tan Grant Thornton LLP) Public Accountants and Chartered Accountants 24 Raffles Place #07-03 Clifford Centre Singapore 048621 Partner-in-charge: Mr Ong Soo Ann (since financial year 2013)

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DIRECTORS' STATEMENT
for the financial year ended 31 December 2014

The Directors submit this annual report to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 December 2014.

In the opinion of the directors,

(a) the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2014 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards;

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of Directors

The Directors of the Company to office at the date of this report are:

Mr Lim Hock San (Non-Executive Chairman and Independent Director)
Mr Eugene Cho Park (Executive Director and Chief Executive Officer)
Mr Gianto Gunara (Executive Director)
Mr Jusak Kertowidjojo (Executive Director)
Mr Choo Kok Kiong (Executive Director)
Dr Tan Chin Nam (Non-Executive Director)
Mr Axton Salim (Non-Executive Director)
Mr Foo Ko Hing (Independent Director)
Mr Rivaie Rachman (Independent Director)

Arrangements to enable Directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of the subsidiaries was a party to any arrangement which the object of which was to enable the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body, other than as disclosed in this report.

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50, none of the Directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations except as follows:

Directors' interest in shares or debentures (Cont'd)

The Company	Number of ordinary shares registered in the name of Director or nominee		Number of ordinary shares in which Director is deemed to have an interest		Principal amount of debentures in the name of Director or nominee	
	As at 1.1.2014	As at 31.12.2014 and 21.1.2015	As at 1.1.2014	As at 31.12.2014 and 21.1.2015	As at 1.1.2014	As at 31.12.2014 and 21.1.2015
					$	$
Lim Hock San	3,414,000	**1,714,000**	–	**–**	–	**1,000,000**
Eugene Cho Park	200,000	**200,000**	657,011,738	**–**	–	**–**
Gianto Gunara	200,000	**200,000**	–	**–**	–	**–**

Share options scheme

No options were granted during the financial year to take up unissued shares of the Company or of its subsidiaries.

No shares were issued by virtue of the exercise of options.

There were no unissued shares under option at the end of the financial year.

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Mr Lim Hock San (Chairman)
Mr Foo Ko Hing
Mr Rivaie Rachman

The audit committee performs the functions set out in Section 201B(5) of the Companies Act, Chapter 50, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the committee reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the quarterly financial information (where applicable) and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2014 as well as the auditor's report thereon;

(iv) effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors;

Audit Committee (Cont'd)

(v) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

(vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(viii) reviewed the nature and extent of non-audit services provided by the external auditor;

(ix) recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

(x) reported actions and minutes of the Audit Committee to the board of directors with such recommendations as the Audit Committee considered appropriate; and

(xi) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The audit committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The audit committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The audit committee is satisfied with the independence and objectivity of the external auditor and has recommended to The Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the Report on Corporate Governance.

DIRECTORS' STATEMENT
for the financial year ended 31 December 2014

Audit Committee (Cont'd)

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

EUGENE CHO PARK

CHOO KOK KIONG

Dated: 6 April 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the financial statements

We were engaged to audit the accompanying financial statements of Gallant Venture Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position of the Company and the Group as at 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Singapore Standards on Auditing. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As explained in Note 1 to the financial statements, the Company changed its accounting treatment to regard Market Strength Limited ("MSL"), an entity which it has no legal ownership and holds no equity interest following an advisory letter from ACRA, as a subsidiary by virtue of its contractual rights which give it power to direct MSL's relevant activities. MSL has been used as a vehicle since 2010 by the Company by way of participating in the Notes ("MSL Notes") and detachable warrants ("MSL Warrants"). For financial reporting purposes, MSL has to adopt equity accounting for its interest in the underlying investments. We have been informed by management of the Group that in so far as books and records of MSL are concerned including the MSL Notes and MSL Warrants which were recorded at their face values at inception, there is no complete set of financial information nor reliable documentary evidence to be made available to us for our audit. This is because there were no operating bank accounts as reported by the directors of MSL. Under the laws of incorporation, MSL, which was incorporated in the British Virgin Islands, is not subject to any statutory audit nor were any audits being carried out since its incorporation. For this reason, MSL also did not prepare the financial statements on a consolidated basis.

MSL has an effective interest of approximately 47.7% in Shanghai Wanye Enterprises Lao Xi Men Real Estate Development Co., Ltd ("LXM") which owns the property development project located at Lao Xi Men, in Shanghai, People's Republic of China ("PRC") ("Lao Xi Men Project"). The effective interest of MSL is through its direct and indirect equity holdings in Super Concord Holdings Ltd ("Super Concord") and World Elite Investments Ltd ("World Elite") whereby MSL holds direct interest of 32.0% in Super Concord, and 37.5% in World Elite which also has an interest of 45.35% in Super Concord. World Elite and Super Concord are both investment holding companies incorporated in Hong Kong. Super Concord has a 97.31% equity interest in LXM.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the financial statements (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

In addition, we were informed by management of the Group that Super Concord and World Elite, both investment holding companies had prepared separate financial statements which were audited for local statutory filing. However, no consolidated financial statements were prepared by these two companies. The financial statements of LXM have also been audited. Management is of the view that the extent of gathering financial information for the purpose of financial reporting is met with significant difficulties.

We understand that for the purpose of consolidating MSL, management obtained the management accounts of MSL for the year ended 31 December 2014 and performed the following:

(a) equity account for its interest in World Elite based on the audited separate financial statements of World Elite for the year ended 31 December 2014; and

(b) equity account for its interest in Super Concord based on the audited separate financial statements of Super Concord for the year ended 31 December 2014.

The audited financial statements of World Elite and Super Concord were audited by another auditor.

The audit evidence available with respect to the consolidation of MSL was limited because:

(a) we were unable to gain access to the management of MSL, World Elite, Super Concord and LXM; and

(b) we were unable to gain access to the auditors of World Elite, Super Concord and LXM and consequently, were unable to review the auditor's working papers to obtain evidence on the related financial statements.

In addition, the financial statements for the year ended 31 December 2014 of:

(a) MSL were not audited;

(b) World Elite were qualified for not accounting for its investment in an associated company, Super Concord using the equity method of accounting including the related disclosures; and

(c) Super Concord were qualified for non-consolidation of its subsidiary, LXM and related disclosures.

Due to limitations placed on the scope of our work which is beyond the control of the directors of the Company, we have been unable to obtain sufficient and appropriate audit evidence concerning the consolidation of MSL. Accordingly, we are unable to determine if the consolidated financial statements of the Group for the year ended 31 December 2014 are fairly stated.

We were also unable to obtain sufficient and appropriate audit evidence on the value of the investment in the subsidiary, MSL, as recorded in the separate financial statements of the Company. The reported carrying amount of the investment arises from contractual rights under the MSL Notes and Warrant which gives it power to direct MSL's relevant activities. Management has recognised and recorded for the subsidiary at its deemed cost of nil and ascribed the fair value of MSL Warrants to be zero owing to a lack of reliable financial data to estimate the fair value of the detachable warrants at its inception and at each reporting year end date. Accordingly, we were

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the financial statements (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

unable to obtain sufficient and appropriate audit evidence on the fair value of the warrants and neither were we able to perform alternative procedures to satisfy ourselves as to the appropriateness of the value of the warrants. The financial statements do not include any adjustments that are necessary to adjust this amount, if required.

In December 2016, MSL is deemed to be fully disposed of by the Company following the redemption of the Notes and disposal of the Warrants by the Group at an aggregate consideration sum of US$330 million.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Report on Other Legal and Regulatory Requirements

In our opinion, except as described in the Basis for Disclaimer of Opinion paragraph in relation to the accounting for investment in MSL in the Company, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Other matter

As disclosed in Notes 1 and 39 to the financial statements which describe the restatement and reissuance of the financial statements as prompted by the Advisory Letter from ACRA. We have issued our auditor's report dated 2 April 2015 on the previously issued financial statements. Due to the amendments made as described in Notes 1 and 39 to the financial statements, we provide this new auditor's report on the re-issued financial statements.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 6 April 2017

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2014

		The Company			The Group		
	Note	31 Dec 2014 $'000	31 Dec 2013 $'000 Restated	1 Jan 2013 $'000 Restated	31 Dec 2014 $'000	31 Dec 2013 $'000 Restated	1 Jan 2013 $'000 Restated
Assets							
Non-Current							
Intangible assets	3	**261**	379	–	**784,434**	800,757	3,275
Property, plant and equipment	4	**59**	48	95	**676,393**	603,671	283,794
Investment properties	5	**–**	–	–	**164,675**	186,491	207,280
Subsidiaries	6	**2,536,681**	2,536,681	1,207,642	**–**	–	–
Associates	7	**–**	–	–	**470,298**	486,980	237,662
Financing receivables	8	**–**	–	–	**357,510**	346,477	–
Deferred tax assets	9	**6,211**	1,344	–	**44,087**	34,780	3,979
Other non-current assets	10	**10,159**	9,140	8,062	**266,715**	250,495	82,775
		2,553,371	2,547,592	1,215,799	**2,764,112**	2,709,651	818,765
Current							
Land inventories	11	**–**	–	–	**609,798**	597,092	585,796
Other inventories	12	**–**	–	–	**366,510**	478,534	11,320
Financing receivables	8	**–**	–	–	**408,575**	306,259	–
Trade and other receivables	13	**119,985**	121,295	124,485	**546,454**	409,253	58,332
Cash and cash equivalents	14	**525**	3,062	4,494	**161,292**	168,363	66,769
		120,510	124,357	128,979	**2,092,629**	1,959,501	722,217
Total assets		**2,673,881**	2,671,949	1,344,778	**4,856,741**	4,669,152	1,540,982
Equity and liabilities							
Share capital	15	**1,880,154**	1,880,154	1,207,642	**1,880,154**	1,880,154	1,207,642
Accumulated losses		**(70,351)**	(21,197)	(14,433)	**(90,047)**	(86,982)	(32,372)
Reserves	16	**80,000**	80,000	–	**(142,698)**	(163,078)	(6,382)
Equity attributable to equity holders of the Company		**1,889,803**	1,938,957	1,193,209	**1,647,409**	1,630,094	1,168,888
Non-controlling interests		**–**	–	–	**362,007**	345,072	23,440
Total equity		**1,889,803**	1,938,957	1,193,209	**2,009,416**	1,975,166	1,192,328
Liabilities							
Non-Current							
Borrowings	17	**209,925**	494,888	–	**700,532**	923,783	211,933
Debt securities	18	**414,274**	87,201	–	**586,311**	345,894	–
Deferred tax liabilities	9	**–**	–	127	**97,882**	99,864	1,889
Employee benefits liabilities	19	**–**	–	–	**25,672**	21,647	11,896
Other non-current liabilities	20	**2,773**	90	–	**80,534**	86,583	47,508
		626,972	582,179	127	**1,490,931**	1,477,771	273,226
Current							
Trade and other payables	21	**19,037**	15,351	7,270	**386,462**	341,925	44,936
Borrowings	17	**137,503**	134,867	144,148	**811,804**	799,744	27,093
Debt securities	18	**–**	–	–	**141,594**	57,857	–
Current tax payable		**566**	595	24	**16,534**	16,689	3,399
		157,106	150,813	151,442	**1,356,394**	1,216,215	75,428
Total liabilities		**784,078**	732,992	151,569	**2,847,325**	2,693,986	348,654
Total equity and liabilities		**2,673,881**	2,671,949	1,344,778	**4,856,741**	4,669,152	1,540,982

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the financial year ended 31 December 2014

	Note	Year ended 31 December 2014 $'000	Year ended 31 December 2013 $'000 Restated
Revenue	24	**2,328,328**	1,854,748
Cost of sales		**(1,946,920)**	(1,596,277)
Gross profit		**381,408**	258,471
Other income	25	**113,802**	14,559
General and administrative expenses		**(152,018)**	(116,961)
Other operating expenses	26	**(164,250)**	(113,974)
Share of associate companies' result		**(34,927)**	5,353
Finance costs	27	**(131,625)**	(75,208)
Profit/(loss) before taxation	28	**12,390**	(27,760)
Taxation	29	**(18,626)**	(10,281)
Loss after taxation		**(6,236)**	(38,041)
Other comprehensive income/(expense) after taxation:			
Items that are/may be reclassified subsequently to profit or loss			
Change in fair value of available-for-sales investments	16(d)	**5,558**	(7,191)
Change in fair value of derivative instruments, net of tax	16(c)	**(2,377)**	7,454
Currency translation differences	16(b)	**25,839**	(97,141)
Share of associate companies' other comprehensive income		**–**	3
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans	16(e)	**(158)**	1,279
Other comprehensive income/(expense) for the year after taxation	30	**28,862**	(95,596)
Total comprehensive income/(expense) for the year		**22,626**	(133,638)
Profit attributable to:			
– Equity holders of the Company		**(3,065)**	(54,609)
– Non-controlling interests		**(3,171)**	16,568
		(6,236)	(38,041)
Total comprehensive income/(expense) attributable to:			
– Equity holders of the Company		**17,974**	(113,830)
– Non-controlling interests		**4,652**	(19,808)
		22,626	(133,638)
		Cents	Cents
Loss per share			
– Basic	31	**(0.064)**	(1.358)
– Diluted		**(0.064)**	(1.358)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2014

	Attributable to owners of the Company									
	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2014, as restated	**1,880,154**	**(105,771)**	**(64,847)**	**5,145**	**(4,267)**	**6,662**	**(86,982)**	**1,630,094**	**345,072**	**1,975,166**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(3,065)**	**(3,065)**	**(3,171)**	**(6,236)**
Other comprehensive (expenses)/income	**–**	**–**	**18,917**	**(1,699)**	**3,952**	**(131)**	**–**	**21,039**	**7,823**	**28,862**
Total comprehensive income for the year	**–**	**–**	**18,917**	**(1,699)**	**3,952**	**(131)**	**(3,065)**	**17,974**	**4,652**	**22,626**
Dividends paid to non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,589)**	**(1,589)**
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	**–**	**–**	**–**	**–**	**–**	**(659)**	**–**	**(659)**	**13,872**	**13,213**
Balance at 31 December 2014	**1,880,154**	**(105,771)**	**(45,930)**	**3,446**	**(315)**	**5,872**	**(90,047)**	**1,647,409**	**362,007**	**2,009,416**
Balance at 1 January 2013, as previously stated	1,207,642	–	(3,544)	–	–	(2,838)	(32,372)	1,168,888	23,440	1,192,328
Profit for the year, as reported	–	–	–	–	–	–	(43,495)	(43,495)	22,735	(20,760)
Prior year adjustment (Note 39a)	–	–	–	–	–	–	(11,115)	(11,115)	(6,167)	(17,282)
Profit for the year, as restated	–	–	–	–	–	–	(54,610)	(54,610)	16,568	(38,042)
Other comprehensive (expense)/income	–	–	(61,303)	5,145	(4,267)	1,205	–	(59,220)	(36,376)	(95,596)
Total comprehensive (expense)/income for the year as stated	–	–	(61,303)	5,145	(4,267)	1,205	(54,610)	(113,830)	(19,808)	(133,638)
Issue of ordinary shares	675,495	–	–	–	–	–	–	675,495	–	675,495
Issue of convertible bond – equity component	–	80,000	–	–	–	–	–	80,000	–	80,000
Dividends paid to non-controlling interest, as restated	–	–	–	–	–	–	–	–	(3,574)	(3,574)
Acquisition of subsidiary with non-controlling interests, as restated	–	–	–	–	–	–	–	–	691,111	691,111
Share issue expenses	(2,983)	–	–	–	–	–	–	(2,983)	–	(2,983)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest, as restated	–	(185,771)	–	–	–	8,295	–	(177,476)	(346,097)	(523,573)
Balance at 31 December 2013, as restated	1,880,154	(105,771)	(64,847)	5,145	(4,267)	6,662	(86,982)	1,630,094	345,072	1,975,166

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2014

	Note	Year ended 31 December 2014 $'000	Year ended 31 December 2013 $'000 Restated
Cash Flows from Operating Activities			
Profit/(loss) before taxation		**12,390**	(27,760)
Adjustments for:			
Amortisation of intangible assets		**16,404**	10,876
Depreciation of property, plant and equipment and investment properties		**106,450**	83,392
Gain on disposal of property, plant and equipment		**(33,172)**	(26,266)
Impairment of trade and other receivables		**19,670**	18,458
Impairment of foreclosed assets		**1,256**	463
Loss on sales of foreclosed assets		**8,962**	–
Allowance for inventories obsolescence		**113**	–
Provision for employees' benefits		**4,674**	3,509
Interest expense		**131,626**	75,208
Interest income		**(10,064)**	(7,680)
Gain on disposal of investment of shares		**(10,496)**	–
Fair value loss/(gain) on derivative instruments		**2,683**	(11,376)
Share of associates' result		**34,927**	(5,353)
Operating profit before working capital changes		**285,423**	113,471
Increase in land inventories		**(12,706)**	(11,296)
Decrease/(increase) in other inventories		**124,372**	(6,123)
Increase in operating receivables		**(202,742)**	(221,903)
Increase in operating payables		**80,274**	243,971
Cash generated from operating activities		**274,621**	118,120
Income tax paid		**(36,361)**	(50,700)
Interest paid		**(173,217)**	(91,877)
Interest received		**6,731**	5,058
Employee benefit paid		**(936)**	(677)
Net cash generated from/(used in) operating activities		**70,838**	(20,076)
Cash Flows from Investing Activities			
Acquisition of intangible assets		**(81)**	(414)
Acquisition of property, plant and equipment		**(180,488)**	(100,598)
Acquisition of investment properties		**(588)**	(379)
Dividend from associates		**4,346**	4,454
Proceeds from disposal of property, plant and equipment		**50,928**	54,666
Acquisition of subsidiaries, net cash outflow on acquisition	[A]	**–**	(919,274)
Acquisition of associates		**(26,584)**	(37,181)
Disposal of subsidiaries, net of cash disposal	[B]	**2,710**	–
Net cash used in investing activities		**(149,757)**	(998,726)

CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2014

	Note	Year ended 31 December 2014 $'000	Year ended 31 December 2013 $'000 Restated
Cash Flows from Financing Activities			
Proceeds from other financing activities		**378,434**	285,121
Repayment of other financing activities		**(61,688)**	(88,233)
Acquisition of non-controlling interests		**23**	(335,352)
Proceeds from bank borrowings		**1,494,785**	1,116,693
Repayment of bank borrowings		**(1,754,849)**	(505,066)
Share issue expenses		**–**	(2,983)
Proceeds from issuance of right issue		**–**	675,495
Proceeds from additional capital stock contribution of Non-controlling interest		**16,319**	–
Dividends paid to non-controlling interests		**(3,788)**	(4,330)
Net cash generated from financing activities		**69,236**	1,141,345
(Decrease)/increase in cash and cash equivalents		**(9,683)**	122,543
Cash and cash equivalents at beginning of year		**168,363**	66,769
Effect of currency translation on cash and cash equivalent		**2,612**	(20,949)
Cash and cash equivalents at end of year	14	**161,292**	168,363

Note A: Acquisition of Subsidiaries

In prior year, the Company acquired 52.35% of the issued share capital of PT Indomobil Sukses Internasional Tbk ("PT IMAS") for an aggregate consideration of $988.2 million which included the issue of straight and convertible bond to its previous shareholder. PT IMAS is listed on the Indonesia Stock Exchange ("IDX"). PT IMAS and its subsidiaries are an integrated automotive business group and is one of the two largest automotive groups in Indonesia. The Company subsequently, acquired an additional 19.14% through Mandatory Tender Offer ("MTO") as required by the Indonesia regulation.

With the completion of the Purchase Price Allocation (PPA) exercise in accordance with *FRS 103 Business Combinations*, the fair values of the identifiable assets and liabilities as at the acquisition date were as follows:–

	Fair value recognised on acquisition $'000
Property, plant and equipment	**358,018**
Trade, financing and other receivables	**896,421**
Other current assets	**578,738**
Other non-current assets	**442,751**
Identifiable intangible assets	**324,546**
Cash and cash equivalents	**68,905**
	2,669,379

CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2014

Note A: Acquisition of Subsidiaries (Cont'd)

	Fair value recognised on acquisition $'000
Total borrowings	(1,241,885)
Deferred tax liabilities	(103,131)
Trade and other payables	(308,405)
Other current liabilities	(13,031)
Other non-current liabilities	(15,149)
Non-controlling interest	(62,947)
	(1,744,548)
Total identifiable net asset acquired, measured at fair value	484,149
Goodwill arising from acquisition (Note 3)	483,458
	967,607
Consideration transferred for the acquisition	
Cash	803,483
Cash via issued of convertible and non-convertible bonds	184,703
Less: Fair value adjustment	(20,579)
	967,607
Effect of the acquisition on cash flows	
Cash consideration	988,186
Cash and cash equivalents acquired	(68,912)
Cash outflow on acquisition	919,274

The provisional goodwill of $1.27 billion arising from the acquisition of PT IMAS in May 2013 was adjusted accordingly to $483 million following the completion of the PPA in May 2014.

Note B: Disposal of a Subsidiary

During the year, the Group disposed of the entire equity interest in its subsidiary, Starhome Limited. The carrying value of assets and liabilities disposed were as follows:–

	2014 $'000
Total Net assets	16,634
Gain on disposal of subsidiary	10,496
Consideration for the disposal	27,130
Consideration for the disposal	
Initial Cash payment	2,710
Cash Instalment payment	24,420
	27,130
Effect of the disposal on cash flows	
Cash consideration	2,710
Cash balance in subsidiary disposed off	–
Cash inflow on disposal	2,710

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

The financial statements of the Group and statement of financial position of the Company for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors' Statement.

The Company was incorporated as a limited liability company listed on Singapore Exchange and domiciled in Singapore.

The registered office and the principal place of business is at 3 HarbourFront Place #16-01 HarbourFront Tower Two, Singapore 099254 (formerly at 991A Alexandra Road #02-06/07, Singapore 119969).

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

The Company's immediate holding company is Parallax Venture Partners XXX Ltd, a company incorporated in the British Virgin Islands and its ultimate holding company is Salim Wanye (Shanghai) Enterprises Co., Ltd, a company incorporated in the People's Republic of China.

Pursuant to the Financial Reporting Surveillance Programme, ACRA reviewed the Original FY2014 Financial Statements of the Company for compliance with the accounting standards under Section 201(3A) of the then prevailing Companies Act. On 10 October 2016, ACRA issued an advisory letter on compliance with accounting standards to the Board of Directors of the Company (the "Advisory Letter").

ACRA had in the Advisory Letter required the Company to, *inter alia*, re-state, re-audit and re-file the Original FY2014 Financial Statements and the Original FY2015 Financial Statements.

The Advisory Letter on compliance with accounting standards deals with, *inter alia*, the following:

(a) Classification of Currency Translation

Paragraph 20(b) and 28 of FRS 7 Statement of Cash Flows – Currency translation differences from converting the Group's outstanding borrowings in the subsidiaries' functional currency (Indonesian Rupiah) to the Group's presentation currency (Singapore Dollar) should not have been classified as an adjustment to profit before tax in the Consolidated Statement of Cash Flows in the Original FY2014 Financial Statements. ACRA was of the view that the net cash flows generated from operating activities and financing activities in FY2014 were understated and overstated respectively.

(b) Bond Accounting

Paragraph 37 of FRS 103 Business Combinations and Paragraph 43 of FRS 39 Financial Instruments: Recognition and Measurement – In respect of unsecured non-convertible bonds issued by the Company in 2013 (the "Non-Convertible Bonds") in connection with the acquisition by the Group of PT IMAS, ACRA was of the view that the Company should have recognised the purchase consideration for such business acquisition based on the fair value of the Non-Convertible Bonds instead of their principal amount.

1 General information (Cont'd)

(c) Consolidation of MSL as a Subsidiary

Paragraph 7 of FRS 110 Consolidated Financial Statements – The Group's investment in MSL by way of its holding of US$202.5 million principal amount of notes and 202.5 million detachable warrants issued by MSL in 2010, should have been accounted for by way of consolidating MSL as a subsidiary pursuant to FRS 110.

(d) Classification of Non-Controlling Interest

Paragraph B96 of FRS 110 Consolidated Financial Statements – The Group had not restated the amount of non-controlling interest transferred to equity, following an acquisition of an additional 19.14% in PT IMAS to reflect the finalised purchase price allocation exercise.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information is presented in Singapore dollars, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

(a) Consolidation of MSL as a subsidiary (Notes 1 and 6)

Significant judgement and assumptions are required in determining whether the Company or the Group has control over an entity such as assessing which activities are relevant activities, whether voting rights are relevant in assessing power over investee and if voting rights are substantive including potential voting rights that are currently exercisable or convertible in making this assessment under FRS 110. As disclosed in Notes 1 and 6, the Company changed its accounting treatment to regard MSL, an entity in which it has no legal ownership and holds no equity interest following an advisory letter from ACRA, as a subsidiary by virtue of its interpretation of the contractual rights which gives it power to direct MSL's relevant activities. Prior to the Advisory Letter, the Company was of the view that it did not meet the requirements of control under FRS 110 as they do not have ownership interest in MSL nor any decision-making involvement with the operations of MSL and hence did not have control of MSL. Nevertheless, the Company has been directed by ACRA to consolidate MSL; such assessment however, involves significant judgement and assumptions.

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(b) Income taxes (Note 29)

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) Operating lease commitments – as lessor (Note 32 (b))

The Group has entered into commercial property leases on its investment properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases. The carrying value of the operating leases as of 31 December 2014 amounted to $39,727,000 (2013 – $45,318,000).

(d) Classification of investment properties (Note 5)

The Group classifies certain buildings and improvements as investment properties as these are leased out to earn rental income. An insignificant portion of investment properties is held for use in the supply of services or for administration purposes.

(e) Determination of functional currency

The Group measures foreign currency translation in the respective currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(f) Allowance for impairment losses on receivables (Notes 8 and 13)

The Company and the Group evaluate specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Company and the Group use judgement, based on the best available facts and circumstances including but not limited to the length of its relationship with the customer and the customer's current credit status based on third party credit reports and known market factors to record specific provisions for customers receivables against amount due to reduce its receivable amounts that the Company and the Group expect to collect. These specific provisions are revaluated and adjusted if additional information received affects the amounts of allowance for impairment losses of trade receivables, financing receivables and other receivables. The carrying amount of the Company's and the Group's receivables as at 31 December 2014 amount to $119,985,000 (2013 – $121,295,000) and $1,312,539,000 (2013 – $1,061,989,000) respectively.

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(g) Going Concern

As at 31 December 2014, the Company's current liabilities exceeded its current assets by $36,596,000 (2013 – $26,454,000). The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet their obligations as and when they fall due in the next 12 months. The Company's net current liability position is mainly due to loans from subsidiaries amounting to $137,503,000 (2014 – $134,867,000).

The Company is able to raise funds through bank borrowings and capital market, and obtain additional funds from the subsidiaries to settle its current liabilities and the subsidiaries will not call for the loans for the next twelve months.

(h) Deferred tax assets (Note 9)

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management estimates are required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The carrying amounts of the Company's and the Group's deferred tax assets as at 31 December 2014 are $6,211,000 (2013 – $1,344,000) and $44,087,000 (2013 – $34,780,000) respectively.

Critical accounting estimates and assumptions used in applying accounting policies

(a) Pension and employee benefits (Note 19)

The determination of the Group's obligation cost for pension and employee benefits liabilities is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Group's assumptions are recognised in profit or loss as and when they occurred. While the Group believes that its assumptions are reasonable and appropriate, significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. The carrying amount of employee benefit liabilities as at 31 December 2014 amounts to $25,672,000 (2013 – $21,647,000).

If the discount rate decreases by 1% from management's estimates, the present value of the pension and employee benefits obligation will be increased by $949,000.

(b) Depreciation of property, plant and equipment (Note 4)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 1 to 80 years. Changes in the expected level of usage and technological development could impact the economic useful lives and residual values of these assets, therefore future depreciation charges could be revised.

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(b) Depreciation of property, plant and equipment (Note 4) (Cont'd)

During the year, management reviewed the depreciation method in certain subsidiaries and changed the depreciation method from straight line to production unit method. Management is of the opinion that the revised depreciation method better reflects the pattern of consumption of the future economic benefits of the assets. The impact of this change is as follows:

	2014 Increase/ (decrease) $'000
Consolidated Statement of Financial Position	
Property, plant and equipment	**5,820**
Total assets	**5,820**
Consolidated Statement of Comprehensive Income	
General and administrative expenses	**(5,820)**
Profit after taxation	**5,820**

The carrying amounts of the Company's and the Group's property, plant and equipment as at 31 December 2014 are $59,000 (2013 – $48,000) and $676,393,000 (2013 – $603,671,000) respectively. If the depreciation of the property, plant and equipment increases/decreases by 10%, the Group's profit for the year will decrease/increase by $8,389,000 (2013 – $6,090,000).

(c) Amortisation of intangible assets (Note 3)

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those with finite useful lives. Management estimates the useful lives of these intangible assets to be within 3 to 20 years. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to impairment testing if there are any indicators of impairment. Indefinite life intangibles are subject to annual impairment testing.

Intangibles assets are written off where, in the opinion of the management, no further economic benefits are expected to arise. The carrying value of the Company's and the Group's intangible assets, exclude goodwill, as at 31 December 2014 are $261,000 (2013 – $379,000) and $297,852,000 (2013 – $314,175,000) respectively. If the amortisation of intangible assets increases/decreases by 10%, the Group's profit for the year will decrease/increase by $1,640,000 (2013 – $1,088,000).

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(d) Depreciation of investment properties (Note 5)

Investment properties are accounted for using the cost model and are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of these investment properties to be within 3 to 30 years. The carrying value of the investment properties are reviewed when events or changes in circumstances indicate the carrying value may not be recoverable.

The carrying value of the Group's investment properties as at 31 December 2014 is $164,675,000 (2013 – $186,491,000). If the depreciation of the investment properties increase/decrease by 10%, the Group's profit for the year will decrease/increase by $2,256,000 ($2,249,000).

(e) Fair value of financial instruments

The Group carries certain financial assets and liabilities at fair value. Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of the mathematical models. The input to these models are derived from observable market data where possible. Where observable data are not available, judgement are required to establish the fair value. The judgement includes considerations of liquidity and model inputs such as volatility and discount rate, prepayment rates and default rate assumptions, which fair value would differ if the Group utilised different valuation methodology. Any changes in fair values of these financial assets and liabilities would affect directly the Group's profit or loss.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(e) Fair value of financial instruments (Cont'd)

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring the fair values is included in the following note:

- Note 23 – Derivative financial instruments

The carrying amount of the Group's derivative financial assets as at 31 December 2014 is $17,030,000 (2013 – $17,727,000). The Group and the Company's derivative financial liabilities as at 31 December 2014 are $45,067,000 (2013 – $51,546,000) and $2,683,000 (2013 – $Nil) respectively. If the fair value of the Group's derivative financial assets increase/decrease by 10%, the Group's profit/(loss) for the year will decrease/increase by $1,703,000 (2013 – $1,762,000). If the Group's and the Company's derivative financial liabilities increase/decrease by 10%, the Group and the Company's profit/(loss) for the year increase/decrease by $4,506,700 (2013 – $5,154,600) and $268,000 (2013 – $Nil).

(f) Allowance for decline in market values and obsolescence of inventories (Notes 11 & 12)

Allowance for decline in market values and obsolescence of inventories is estimated based on the best available facts and circumstances including but not limited to the inventories' own physical conditions, their market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. The provision are re-evaluated and adjusted as additional information received affects the amount estimated.

If the net realisable value of the inventories decreases by 10% from management's estimates, the Group's profit will decrease by $215,000 (2013 – $213,000). The carrying amounts of land inventories and other inventories as at 31 December 2014 are $609,798,000 (2013 – $597,092,000) and $366,510,000 (2013 – $478,534,000) respectively.

(g) Impairment of goodwill (Note 3)

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. The assessment of impairment of goodwill was determined based on the recoverable amount of the Group's cash-generating units ("CGU") according to business segments. The recoverable amount of the CGU is determined based on value-in-use calculation.

This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period and use of estimates (Note 3). The carrying amount of goodwill as at 31 December 2014 amounts to $486,582,000 (2013 – $486,582,000).

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(h) Land inventories (Note 11)

The net realisable value for land inventories are estimated based primarily on the latest selling prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of the land inventories.

If the net realisable value of land inventories decrease by 10% from management's estimates, there will be no impact in the carrying value of the land inventories.

2(b) Interpretations and amendments to published standards effective in 2014

On 1 January 2014, the Group adopted FRSs that are mandatory for application from that date. This includes the following FRSs which are relevant to the Group:

Reference	**Description**
Revised FRS 28	Investments in Associates and Joint Ventures
FRS 110	Consolidated Financial Statements
FRS 112	Disclosure of Interests in Other Entities
Amendments to FRS 39	Novation of Derivatives and Continuation of Hedge Accounting

The directors do not anticipate that the above FRSs in current year will have a material impact on the financial statements of the Group in the period of their initial adopted except for the following:

FRS 110 Consolidated Financial Statements and Revised FRS 27 Separate Financial Statements

FRS 110 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 110 will require management to exercise significant judgement to determine whether entities are controlled and therefore are required to be consolidated by the Group, compared with the requirements that were in FRS 27. Therefore, FRS 110 may change which entities are consolidated within a group. The revised FRS 27 was amended to address accounting for subsidiaries, jointly controlled entities and associates in the separate financial statements.

The Group has reassessed which entities the Group controls and there are no resulting changes required.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 is a new standard on disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements.

As this is a disclosure standard it will not have any impact on the financial performance or the financial position of the Company and the Group when applied in.

2(c) FRS not yet effective

The following are the new or amended FRS issued in 2014 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 19	Defined Benefit Plan: Employee Contribution	1 July 2014
Improvements to FRSs (January 2014)		
– FRS 16, FRS 38	Property, Plant and Equipment & Intangible Assets	1 July 2014
– FRS 24	Related Party Disclosures	1 July 2014
– FRS 102	Share Based Payments	1 July 2014
– FRS 103	Business Combinations	1 July 2014
– FRS 108	Operating Segments	1 July 2014
Improvements to FRSs (February 2014)		
– FRS 103	Business Combinations	1 July 2014
– FRS 113	Fair Value Measurement	1 July 2014
Improvements to FRSs (November 2014)		
– FRS 107	Financial Instruments: Disclosure	1 January 2016
Amendments to FRS 7	Statements of Cash Flows	1 January 2017
FRS 115	Revenue from Contracts with Customers	1 January 2018
Clarifications to FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 116	Leases	1 January 2019
INT FRS 122	Foreign Currency Transactions and Advance	1 January 2018

Amendments to FRS 19

The amendments permit contributions that are independent of the number of years of service to be recognised as a reduction in the service in the period in which the service is rendered, instead of allocating the contributions to periods of service. Other contributions by employees or third parties that are not solely linked to current year service are required to be attributed to periods of service either using the plan's contribution formula or on a straight-line basis.

Management does not expect any impact from applying the new amendment.

Improvements to FRSs (January 2014) FRS 24 Related Party Disclosures

Improvements to FRSs (January 2014) FRS 24 Related Party Disclosures clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Company and the Group when applicable.

2(c) FRS not yet effective (Cont'd)

Improvements to FRS (January 2014) FRS 108 Operating Segments

The Improvements to FRSs (January 2014) Operating Segments clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. In addition, the entity is required to disclose the judgements made by management in applying the aggregation criteria to operating segments. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Company and the Group when applicable.

Improvements to FRS (January 2014) FRS 103 Business Combinations

The Improvements to FRSs (January 2014) FRS 103 Business Combinations clarifies that the consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of FRS 39 or a non-financial asset or liability. Changes in fair value (other than the measurement period adjustments) should be recognised in profit or loss.

Management does not expect any impact from applying the new improvement.

Improvements to FRS (February 2014) FRS 113 Fair Value Measurement

The Improvements to FRSs (February 2014) FRS 113 Fair Value Measurement clarifies that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, FRS 39, even if those contracts do not meet the definitions of financial assets or financial liabilities within FRS 32.

Management does not expect any impact from applying the new improvement.

Amendments to FRS 1 Presentation of Financial Statements

The amendments to FRS 1 Presentation of Financial Statements clarify that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the judgement in determining where and in what order information is presented in the financial disclosures.

FRS 115 Revenue from Contracts with Customers

FRS 115 Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It established a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to a customer.

2(c) FRS not yet effective (Cont'd)

FRS 115 Revenue from Contracts with Customers (Cont'd)

The standard replaces FRS 11 Construction Contracts, FRS 18 Revenue, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreements for Construction of Real Estate, INT FRS 118 Transfer of Assets from Customers and INT FRS 31 Revenue – Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards.

FRS 115 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the consolidated financial statements.

Clarifications to FRS 115 Revenue from Contracts with Customers

The amendments clarify how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided)
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as the Standard, FRS 115, i.e. on 1 January 2018.

FRS 109 Financial Instruments

FRS 109 Financial Instruments replaces the FRS 39 and it is a package of improvements introduced by FRS 109 which include a logical model for:

- Classification and measurement;
- A single, forward – looking "expected loss" impairment model and
- A substantially reformed approach to hedge accounting

FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the consolidated financial statements.

FRS 116 Leases

FRS 116 Leases replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 Leases that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required for lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. FRS 116 Leases will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the company has adopted FRS 115. The Group is currently assessing the impact to the consolidated financial statements.

2(c) FRS not yet effective (Cont'd)

INT FRS 122 Foreign Currency Transactions and Advance Consideration

This Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. The Group is currently assessing the impact to the consolidated financial statements.

As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Company and the Group when applicable.

2(d) Significant accounting policies

(i) Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;

– de-recognises the carrying amount of any non-controlling interest;

– de-recognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss;

– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2(d) Significant accounting policies (Cont'd)

(i) Consolidation (Cont'd)

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

– power over the investee;

– exposure, or rights to variable returns from its involvement with the investee; and

– the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

– the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

– potential voting rights held by the Group, other vote holders or other parties;

– rights arising from other contractual arrangements; and

– any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair

2(d) Significant accounting policies (Cont'd)

(i) Consolidation (Cont'd)

value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Transactions with Non-Controlling Interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(ii) Intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing, if there are any indicators of impairment. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the Directors, no further future economic benefits are expected to arise.

a. Goodwill

Goodwill on acquisition of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

2(d) Significant accounting policies (Cont'd)

(ii) Intangible assets (Cont'd)

b. Dealerships and distributorships

Dealerships and distributorships resulted from the acquisition of PT IMAS are amortised on straight-line basis over their useful life of 20 years.

Costs relating to computer software acquired, which are not an integral part of related hardware, are capitalised and amortised on a straight-line basis over their useful life of 3 years.

(iii) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

	Years
Leasehold land	15 – 80
Land improvements	20
Landfill	3
Building and infrastructures	3 – 30
Golf course	36 – 45
Utilities plant and machinery	3 – 30
Machinery and equipment	3 – 15
Vessels and ferry equipment	4 – 15
Working wharf	3
Transportation equipment and vehicles	3 – 8
Medical equipment	7
Furniture, fixtures and equipment	1 – 10
Office equipment	2 – 5
Resort equipment	3 – 5
Reservoir	30
Telecommunication equipment	10 – 30
Leasehold improvements	5

Construction-in-progress is stated at cost. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the construction is substantially completed and the asset is ready for its intended use. No depreciation is provided on construction-in-progress.

2(d) Significant accounting policies (Cont'd)

(iii) Property, plant and equipment and depreciation (Cont'd)

Costs incurred in the general overhaul of the main engines of vessels during dry docking are capitalised and depreciated over 3 to 5 years.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the year of acquisition and to the year before disposal respectively. For acquisitions less than $1,000, they are expended as expenses in the profit or loss. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

(iv) Investment properties

Investment properties consist of buildings and improvements that are held to earn rental yields, including portions of buildings which could not be sold separately, and where an insignificant portion is held for use in the supply of services or for administrative purposes.

The Group applies the cost model. Investment properties are stated at cost less accumulated depreciation, less any impairment in value similar to that for property, plant and equipment. Such costs include the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is computed using the straight-line method over the estimated useful lives of the investment properties of 3 – 30 years, as applicable for each investment property.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in the profit or loss.

2(d) Significant accounting policies (Cont'd)

(iv) Investment properties (Cont'd)

The carrying value of investment properties are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from the investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

(v) Investment in subsidiaries

In the Company's separate financial statements, shares in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

(vi) Investment in associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group account for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and loss resulting from transaction between the Group and the associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2(d) Significant accounting policies (Cont'd)

(vi) Investment in associates (Cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared as of the same reporting date as the Company unless it is impracticable to do so. When the financial statements of an associate used in applying the equity method are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company.

Upon loss of significant influence or joint control over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2(d) Significant accounting policies (Cont'd)

(vii) Land inventories

Land inventories are carried at the lower of cost and net realisable value. Cost of land inventories is computed using the weighted average cost method. Net realisable value represents the estimated selling price less costs to be incurred in selling the land.

Cost of land inventories includes cost of land, borrowing costs and other costs directly or indirectly related to the acquisition and development of the land for sale. These costs are capitalised during the period when such activities that are necessary to get these assets ready for sale are in progress. Capitalisation of these costs will cease when land development is completed and the land is available for sale.

The costs incurred in the development of the resort and common areas/facilities are allocated proportionally to the saleable parcels of land. Other land development costs incurred are allocated to each parcel of land using the specific identification method.

Land inventories are de-recognised when it has been sold as an integral part with sale of land and no future economic benefit is expected from its disposal. Cost of land infrastructure inventory on sale of land or loss from disposal is recognised in the profit or loss in the year of sale or disposal.

(viii) Other inventories

Other inventories are stated at the lower of cost and net realisable value. Cost is generally determined on a first-in, first-out basis, specific identification and average methods. The cost of finished goods and work in progress comprises goods held for resale, raw materials, labour and an appropriate portion of overheads. Allowance is made for obsolete, slow moving or defective inventory in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(ix) Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired and contractual terms. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date – the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

2(d) Significant accounting policies (Cont'd)

(ix) Financial assets (Cont'd)

De-recognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment of impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company and the Group currently have legally enforceable rights to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The Group does not have investments to be designated as fair value through profit or loss and held-to-maturity financial assets.

a. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables include financing receivables, loans and notes receivables, trade and other receivables, and cash and bank balances. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write-back is recognised in profit or loss.

b. Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

2(d) Significant accounting policies (Cont'd)

(ix) Financial assets (Cont'd)

b. Available-for-sale financial assets (Cont'd)

All financial assets within this category are subsequently measured at fair value with changes in value recognised in other comprehensive income, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income is included in the profit or loss for the year.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in other comprehensive income shall be removed from the other comprehensive income and recognised in the profit or loss even though the financial asset has not been de-recognised.

The amount of the cumulative loss that is removed from other comprehensive income and recognised in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed in profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment losses recognised in a previous interim period in respect of available-for-sale equity investments are not reversed even if the impairment losses would have been reduced or avoided had the impairment assessment been made at a subsequent reporting period or end of the reporting period.

The Group's available-for-sale financial assets are shown in Note 37.

c. Determination of fair value

The fair values of quoted financial assets are based on quoted market prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. Where fair value of unquoted instruments cannot be measured reliably, the instrument is measured at cost less any allowance for impairment.

2(d) Significant accounting policies (Cont'd)

(x) Financing receivables

a. Consumer financing receivables

Consumer financing receivables are presented net of amounts financed by banks relating to the cooperation transactions of loan channelling, unearned consumer financing income and allowance for impairment loss on consumer financing receivables.

Based on the consumer joint financing agreements (without recourse), the Group only presents the portion of the total instalments receivable financing by the subsidiaries (net approach). The consumer financing income is presented net of amounts of the banks' rights on such income relating to the transactions.

For consumer joint financing, receivable take over and channelling agreements (with recourse), consumer financing receivables represent all customers' instalments and the total facilities financed by creditors are recorded as liability (gross approach). Interest earned from customers is recorded as part of consumer financing income, while interest charged by the creditors is recorded as part of financing charges.

Unearned income on consumer financing, which is the excess of the aggregate instalment payments to be received from the consumers over the principal amount financed, plus or deducted with the financing process administration fees or expenses, is recognised as income over the term of the respective agreement using effective interest rate method.

The Group does not recognise consumer financing income contract on receivables that are overdue more than three months. The interest income previously recognised during three (3) months but not yet collected is reversed against interest income. Such income is recognised only when the overdue receivable is collected.

b. Net investment in financing leases

Net investment in financing leases represents financing lease receivables plus the guaranteed residual value at the end of the lease period and net of unearned financing lease income, security deposits and allowances for impairment losses. The difference between gross lease receivables and the present value of the lease receivable is recognised as unearned financing lease income.

Unearned financing lease income is recognised as financing lease income based on a constant rate on the net investment using effective interest rate.

(xi) Foreclosed assets

Foreclosed assets acquired in conjunction with settlement of consumer financing receivables are stated at the lower of related consumer financing receivables' carrying value or net realisable value of foreclosed assets. The difference between the carrying value and the net realisable value recorded as part of allowance for impairment losses and loss on foreclosed assets and is recognised in profit or loss.

2(d) Significant accounting policies (Cont'd)

(xi) Foreclosed assets (Cont'd)

In case of default, the customer gives the right to the Group to sell the foreclosed assets or take any other actions to settle the outstanding receivables. Customers are entitled to the positive differences between the proceeds from sales of foreclosed assets and the outstanding consumer financing receivables. If the differences are negative, the resulting losses are recognised in profit or loss.

(xii) Golf membership

Golf membership is measured initially at cost. Subsequent to initial recognition, golf membership is stated at cost less any accumulated impairment losses. The carrying value of golf membership is reviewed annually for impairment when an indicator of impairment arises during the reported period indicating that the carrying value may not be recoverable.

The golf membership is assessed as having indefinite life and there is no foreseeable limit to the period over which the memberships are expected to generate cash to the Group. The golf membership is tested for impairment and carried at cost less accumulated impairment loss.

(xiii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in bank, short term deposits and other short-term investments with maturities of three months or less at the time of placement or purchase that are subject to insignificant risk of changes in their fair value and are used by the Group in the management of its short term commitment. For the purpose of the consolidated statement of cash flows, deposits that are pledged as collaterals for loans and other borrowings are excluded in the cash and cash equivalents.

(xiv) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(xv) Financial liabilities

The Group's financial liabilities include loans and borrowings, debt securities (including bond), consumer financing, obligations under finance lease and trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance costs" in the profit or loss. Financial liabilities are amortised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company and the Group currently have legally enforceable rights to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2(d) Significant accounting policies (Cont'd)

(xv) Financial liabilities (Cont'd)

Borrowings and debt securities are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings and debt securities are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings and debt securities using the effective interest method. Interest expense is chargeable on the amortised cost over the period of the borrowings and debt securities using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are amortised as well as through the amortisation process.

Borrowings and debt securities which are due to be settled within 12 months after the end of reporting period are included in current liabilities in the statements of financial position even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of financial period. Borrowings and debt securities to be settled within the Group's normal operating cycle are classified as current. Other borrowings due to be settled more than 12 months after the end of reporting period are included in non-current liabilities in the statements of financial position.

Convertible bonds

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in fair value of the bonds are accounted for as compound financial instruments. The gross proceeds are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instruments.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not re-measured. When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(xvi) Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. On the date a derivative contract is entered into, the Group designates certain derivatives as a hedge of a forecasted transaction or of the foreign currency risk on a firm commitment.

2(d) Significant accounting policies (Cont'd)

(xvi) Derivative financial instruments and hedging activities (Cont'd)

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The Group uses derivative instruments, such as cross currency and interest rate swaps as part of its asset and liability management activities to manage exposures to foreign currency and interest rate. The Group applies cash flow hedge accounting when transactions meet the specified criteria for hedge accounting treatment.

Cash flow hedge

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in the hedging reserve, while the ineffective portion is recognised in the profit or loss.

Changes in the carrying amount of cash flow hedges are charged to the hedging reserve in other comprehensive income. Amounts accumulated in other comprehensive income are recycled to the profit or loss in the periods when the hedged item affects profit or loss. When the hedged transaction results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in other comprehensive income are transferred from other comprehensive income and included in the initial measurement of the cost of the asset or liability.

When a cash flow hedging instrument expires or sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in equity and is recognised when the forecast transactions is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss reported in other comprehensive income is immediately transferred to profit or loss.

Derivatives financial instruments not designated as hedging instruments

Derivative financial instruments are not designated as hedging instruments, in individual contracts or separated from hybrid financial instruments, are initially recognised at fair value on the date of the derivative contract is entered into and subsequently re-measured at fair value. Such derivative financial instruments are accounted for as financial assets or financial liabilities at fair value through profit or loss. Gains or losses arising from changes in fair value are recorded directly in profit or loss for the year.

2(d) Significant accounting policies (Cont'd)

(xvii) Leases

Where the Group is the Lessee,

Finance leases

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the lower of the fair values of the leased assets and the present value of the total minimum lease payments during the periods of the leases. The corresponding lease commitments are included under liabilities. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

The leased assets are depreciated on a straight-line basis over their estimated useful lives as detailed in the accounting policy on "Property, plant and equipment".

Operating leases

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to the profit or loss when incurred.

Where the Group is the Lessor,

Finance leases

Where assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the lease term using the net investment method, which reflects a constant periodic rate of return.

Operating leases

Assets leased out under operating leases are included in investment properties and are stated at revalued amounts and not depreciated. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2(d) Significant accounting policies (Cont'd)

(xviii) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Based on Government Regulation of the Republic of Indonesia (RI) No. 71/2008 dated November 4, 2008, companies whose main activity is sales of land and buildings, is subject to final tax for each payment on sales of land and factory (including condominiums and cottages) starting January 1, 2009.

Based on Government Regulation of RI No. 5/2002 dated March 23, 2002, each rental payment on the rental of buildings is subject to final tax of 10% from the gross rental amount starting May 1, 2002.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2(d) Significant accounting policies (Cont'd)

(xix) Employee benefits

Pension obligations

The Group participates in national pension schemes as defined by the laws of the countries in which it operates. As required by Indonesian Law, the Group makes contributions to the defined contributions state pension scheme, Jamsostek contributions, which are recognised as compensation expense in the same period as the employment that gives rise to the contributions. The ASTEK fund from Jamsostek contributions is responsible for the entire insurance claim relating to accidents incurred by the employees at the work place and for the entire retirement benefit obligations of the related employees under the said state pension scheme.

The Group also makes contributions to a defined contribution pension plan which is administered by legal entity, "Dana Pensiun Lembaga Keuangan Indolife Pensiontama" and "Dana Pensiun Indomobil Group" for certain employees. The contributions are recognised as an expense in the same period as the employment that gives rise to the contributions.

The Company and its subsidiaries operating in Singapore contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to the national pension scheme are charged to the profit or loss in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability for unconsumed leave as a result of services rendered by employees up to the reporting period.

Provisions for employee service entitlements

The Group has recognised unfunded employee benefits liability in accordance with Indonesian Labor Law No. 13/2003 dated 25 March 2003 ("the Law").

The calculation is performed annually by qualified actuarists using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in profit or loss.

2(d) Significant accounting policies (Cont'd)

(xix) Employee benefits (Cont'd)

Provisions for employee service entitlements (Cont'd)

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors (and certain general managers) are considered key management personnel.

(xx) Impairment of non-financial assets

The carrying amounts of the Company's and Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill or other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2(d) Significant accounting policies (Cont'd)

(xx) Impairment of non-financial assets (Cont'd)

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount represents the value-in-use based on an internal discounted cash flow calculation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued assets was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

(xxi) Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company and the Group if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

2(d) Significant accounting policies (Cont'd)

(xxi) Related parties (Cont'd)

(iii) is a member of the key management personnel of the Company or the Group or of a parent of the Company.

(b) An entity is related to the Company and the Group if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity or any member of a group of which it is a part provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(xxii) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and when specific criteria have been met for each of the Group's activities as described below:

(a) Sales of goods

Revenue from sales arising from physical delivery of the Group's products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincide with their delivery and acceptance.

2(d) Significant accounting policies (Cont'd)

(xxii) Revenue recognition (Cont'd)

(b) Sales of land and factory

Revenue from the sale of land and factory is recognised when all the following conditions have been satisfied:

- The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the enterprise; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group also considers:

- Commitment on delivery of key infrastructure to the sale site such that the buyer is able to access the land and commence construction
- The means of payment and evidence of the buyer's commitment to complete payment, for example, when the aggregate of the payments received, including the buyer's initial down payment, or continuing payments by the buyer, provide insufficient evidence of the buyer's commitment to complete payment.

If the above conditions are not met, the payments received are accounted for under the deposit method.

(c) Financial Services

Revenue from financial services is recognised over the term of the respective contracts based on a constant rate of return on the net investment.

(d) Rendering of services

Revenue from a contract to provide installation is recognised by reference to the stage of completion of the contract.

(e) Resort operations and ferry services

Revenue is recognised when the services are rendered.

2(d) Significant accounting policies (Cont'd)

(xxii) Revenue recognition (Cont'd)

(f) Golf and social facilities revenue

Revenue from golf and social facilities is recognised as goods are delivered or services rendered. Revenue from golf subscription fees is recognised over the period of the subscription.

(g) Rental income and rendering of service and maintenance

Revenue from rental, service and maintenance charges is recognised proportionately over the lease term. The aggregate cost of any incentives as a reduction of rental income is recognised proportionately over the lease term. Rental payments received in advance are recorded as unearned income and amortised proportionately over the lease term using the straight-line method. Deposits received from tenants are recorded as part of other current liabilities.

(h) Telecommunication service

Revenue from telecommunication services is recognised on the accrual basis. Revenue from telecommunication installation services is recognised at the time the installations are placed in service. Revenue from network interconnection with other domestic telecommunication carriers are recognised at the time connections takes place.

(i) Clinic operation

Income from clinic operation is recognised when medical services are rendered or when medical supplies are delivered to patients.

(j) Utilities revenue

Revenue from electricity and water supply is recognised upon delivery.

(k) Interest income

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

(l) Dividends

Dividend income is recognised when the shareholders' right to receive the payment is established.

2(d) Significant accounting policies (Cont'd)

(xxiii) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the related asset. Otherwise, borrowing costs are recognised as expenses when incurred. Borrowing costs consist of interests and other financing charges that the Group incurs in connection with the borrowing of funds.

Capitalisation of borrowing costs commences when the activities to prepare the qualifying asset for its intended use are in progress and the expenditures for the qualifying asset and the borrowing costs have been incurred. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets are substantially completed for their intended use.

Foreign exchange differences arising from foreign currency borrowings are capitalised to the extent that they are regarded as an adjustment to interest costs.

(xxiv) Bond issuance costs

Costs incurred in connection with the issuance of bonds by the Group were deferred and are being amortised using the effective interest rate method over the term of the bonds.

The balance of deferred bonds issuance costs is presented as a deduction from the outstanding bonds payable.

(xxv) Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Company and the Group are presented in Singapore dollars, which is also the functional currency of the Company.

(xxvi) Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in the profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designed and qualifying as net investment hedged and net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

2(d) Significant accounting policies (Cont'd)

(xxvi) Conversion of foreign currencies (Cont'd)

Transactions and balances (Cont'd)

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within "finance cost". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Group entities

The results and financial position of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(ii) Income and expenses for each statements presenting profit or loss and other comprehensive income (i.e. including comparatives shall be translated at exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

(xxvii) Operating segments

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segment under their charge. The segment managers are directly accountable to their chief executive officer who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

3 Intangible assets

The Company	**Computer software $'000**	**Total $'000**
Cost		
At 1 January 2013	107	107
Additions	385	385
Disposal	(15)	(15)
At 31 December 2013	**477**	**477**
Additions	**12**	**12**
At 31 December 2014	**489**	**489**
Accumulated amortisation		
At 1 January 2013	107	107
Amortisation for the year	6	6
Disposal	(15)	(15)
At 31 December 2013	**98**	**98**
Amortisation for the year	**130**	**130**
At 31 December 2014	**228**	**228**
Net book value		
At 31 December 2014	**261**	**261**
At 31 December 2013	379	379

3 Intangible assets (Cont'd)

The Group	Goodwill $'000	Dealership & distributorships $'000 Restated	Computer software $'000	Total $'000
Cost				
At 1 January 2012	1,164	–	1,066	2,230
Additions	2,020	–	88	2,108
At 31 December 2012	3,184	–	1,154	4,338
Acquisition of subsidiaries	483,458	324,546	–	808,004
Reclassification to other category of assets	(60)	–	–	(60)
Additions	–	–	414	414
Disposal	–	–	(15)	(15)
At 31 December 2013 (restated)	**486,582**	**324,546**	**1,553**	**812,681**
Additions	**–**	**–**	**81**	**81**
At 31 December 2014	**486,582**	**324,546**	**1,634**	**812,762**
Accumulated amortisation				
At 1 January 2012	–	–	886	886
Amortisation for the year	–	–	177	177
At 1 January 2013	–	–	1,063	1,063
Amortisation for the year	–	10,818	58	10,876
Disposal	–	–	(15)	(15)
At 31 December 2013 (restated)	**–**	**10,818**	**1,106**	**11,924**
Amortisation for the year	**–**	**16,227**	**177**	**16,404**
At 31 December 2014	**–**	**27,045**	**1,283**	**28,328**
Net book value				
At 31 December 2014	**486,582**	**297,501**	**351**	**784,434**
At 31 December 2013 (restated)	486,582	313,728	447	800,757
At 31 December 2012 (restated)	3,184	–	91	3,275

3 Intangible assets (Cont'd)

a. Goodwill

Impairment test for Goodwill

For the purpose of goodwill impairment testing, the carrying amount of goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segments.

A segment-level summary of the goodwill allocation is as follows:–

The Group	2014 $'000	2013 $'000 Restated
Resort operations	**1,164**	1,164
Property Development	**1,960**	1,960
Automotive	**483,458**	483,458
At 31 December 2014	**486,582**	486,582

The recoverable amount of a CGU was determined based on value-in-use calculation. The value-in-use calculation is a discounted cash flow model using cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond five-year period were extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations:

		2014	
	Resort operations	Property development	Automotive
Gross margin(1)	**29.31%**	**21.98%**	**15.74%**
Growth rate(2)	**5.00%**	**3.50%**	**4.50%**
Discount rate(3)	**7.93%**	**6.11%**	**5.46%**

		2013	
	Resort operations	Property development	Automotive
Gross margin(1)	31.37%	35.00%	–
Growth rate(2)	3.00%	5.00%	–
Discount rate(3)	7.95%	6.15%	–

(1) Budgeted gross margin

(2) Weighted average growth rate used to extrapolate cash flows beyond the budgeted period

(3) Pre-tax discount rate applied to the pre-tax cash flows projections

3 Intangible assets (Cont'd)

a. Goodwill (Cont'd)

Impairment test for Goodwill (Cont'd)

These assumptions were used for the analysis of each CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations of the market development. The weighted average growth rates reflected management's forecast relating to the relevant segments. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

b. Amortisation expense included in the profit or loss is analysed as follows:

	2014	2013
The Group	**$'000**	**$'000**
General and administrative expenses (Note 28)	**16,404**	10,876
	16,404	10,876

4 Property, plant and equipment

The Company	**Furniture fixtures and equipment $'000**	**Office equipment $'000**	**Leasehold improvements $'000**	**Total $'000**
Cost				
At 1 January 2013	79	194	357	630
Additions	3	23	–	26
Disposals	–	(31)	–	(31)
At 31 December 2013	**82**	**186**	**357**	**625**
Additions	**–**	**50**	**–**	**50**
Disposals	**–**	**(5)**	**–**	**(5)**
At 31 December 2014	**82**	**231**	**357**	**670**
Accumulated depreciation				
At 1 January 2013	52	185	298	535
Depreciation for the year	9	12	52	73
Disposals	–	(31)	–	(31)
At 31 December 2013	**61**	**166**	**350**	**577**
Depreciation for the year	**7**	**25**	**7**	**39**
Disposals	**–**	**(5)**	**–**	**(5)**
At 31 December 2014	**68**	**186**	**357**	**611**
Net book value				
At 31 December 2014	**14**	**45**	**–**	**59**
At 31 December 2013	21	20	7	48

4 Property, plant and equipment (Cont'd)

The Group	Balance at 1.1.2014 $'000	Exchange Translation difference $'000	Additions $'000	Reclassification/ transfers $'000	Disposals $'000	Balance at 31.12.2014 $'000
Cost						
Leasehold land	205,925	3,884	41,719	2,453	(8,104)	245,877
Land improvements	5,176	–	–	–	–	5,176
Landfill	4,242	–	–	–	–	4,242
Building and infrastructures	286,692	1,744	14,488	8,213	(1,082)	310,055
Golf course	25,307	–	–	–	–	25,307
Utilities plant and machinery	308,744	–	360	76	(290)	308,890
Machinery and equipment	149,546	3,166	26,420	16,514	(1,957)	193,689
Vessels and ferry equipment	52,630	–	2,294	–	(1,176)	53,748
Working wharf	1,685	–	–	–	–	1,685
Transportation equipment and vehicles	186,101	4,217	9,651	19,620	(7,006)	212,583
Medical equipment	819	–	–	–	–	819
Furniture, fixtures and equipment	26,389	9	740	38	(82)	27,094
Office equipment	53,370	1,526	5,245	190	(1,030)	59,301
Resort equipment	2,417	–	23	46	(20)	2,466
Reservoir	9,713	–	–	–	–	9,713
Telecommunication equipment	10,590	131	204	–	–	10,925
Leasehold improvements	8,998	894	707	2,548	(285)	12,862
Construction-in-progress	25,823	(1,667)	78,637	(75,540)	(5,377)	21,876
Total	1,364,167	13,904	180,488	(25,842)	(26,409)	1,506,308
Accumulated depreciation						
Leasehold land	88,696	1,185	6,038	(272)	(32)	95,615
Land improvements	3,990	–	248	–	–	4,238
Landfill	2,104	–	288	–	–	2,392
Building and infrastructures	187,679	566	15,603	(3)	(131)	203,714
Golf course	10,846	–	544	–	–	11,390
Utilities plant and machinery	237,665	–	10,844	–	(290)	248,219
Machinery and equipment	84,870	1,475	8,764	(59)	(1,678)	93,372
Vessels and ferry equipment	29,138	–	2,789	–	(1,172)	30,755
Working wharf	1,685	–	–	–	–	1,685
Transportation equipment and vehicles	51,477	1,221	27,025	(10,702)	(4,296)	64,725
Medical equipment	751	–	16	–	–	767
Furniture, fixtures and equipment	20,509	8	1,116	–	(81)	21,552
Office equipment	22,775	452	8,611	30	(905)	30,963
Resort equipment	2,289	–	52	–	(20)	2,321
Reservoir	5,831	–	353	–	–	6,184
Telecommunication equipment	6,832	89	481	–	–	7,402
Leasehold improvements	3,359	130	1,121	59	(48)	4,621
Total	760,496	5,126	83,893	(10,947)	(8,653)	829,915

4 Property, plant and equipment (Cont'd)

The Group	**Balance at 31.12.2014 $'000**	**Balance at 1.1.2014 $'000**
Net book value		
Leasehold land	**150,262**	**117,229**
Land improvements	**938**	**1,186**
Landfill	**1,850**	**2,138**
Building and infrastructures	**106,341**	**99,013**
Golf course	**13,917**	**14,461**
Utilities plant and machinery	**60,671**	**71,079**
Machinery and equipment	**100,317**	**64,676**
Vessels and ferry equipment	**22,993**	**23,492**
Working wharf	**–**	**–**
Transportation equipment and vehicles	**147,858**	**134,624**
Medical equipment	**52**	**68**
Furniture, fixtures and equipment	**5,542**	**5,880**
Office equipment	**28,338**	**30,595**
Resort equipment	**145**	**128**
Reservoir	**3,529**	**3,882**
Telecommunication equipment	**3,523**	**3,758**
Leasehold improvements	**8,241**	**5,639**
Construction-in-progress	**21,876**	**25,823**
Total	**676,393**	**603,671**

4 Property, plant and equipment (Cont'd)

The Group	Balance at 1.1.2013 $'000	Exchange translation difference $'000	Acquisition of subsidiaries $'000	Additions $'000	Reclassification/ transfers $'000	Disposals $'000	Balance at 31.12.2013 $'000
Cost							
Leasehold land	98,460	(23,123)	134,914	5,901	605	(10,832)	205,925
Land improvements	5,176	–	–	–	–	–	5,176
Landfill	4,242	–	–	–	–	–	4,242
Building and infrastructures	217,040	(10,489)	70,672	7,147	3,665	(1,343)	286,692
Golf course	25,307	–	–	–	–	–	25,307
Utilities plant and machinery	308,139	–	–	58	764	(217)	308,744
Machinery and equipment	58,528	(2,903)	85,386	10,366	(842)	(989)	149,546
Vessels and ferry equipment	51,476	–	–	1,162	–	(8)	52,630
Working wharf	1,685	–	–	–	–	–	1,685
Transportation equipment and vehicles	5,991	(27,848)	178,231	5,108	28,136	(3,517)	186,101
Medical equipment	819	–	–	–	–	–	819
Furniture, fixtures and equipment	25,130	(143)	–	527	978	(103)	26,389
Office equipment	4,407	(4,955)	38,391	15,484	197	(154)	53,370
Resort equipment	2,409	–	–	13	30	(35)	2,417
Reservoir	9,713	–	–	–	–	–	9,713
Telecommunication equipment	12,358	(2,085)	–	298	25	(6)	10,590
Leasehold improvements	1,032	2,139	143	2,515	3,169	–	8,998
Construction-in-progress	9,408	(2,115)	29,147	52,019	(48,188)	(14,448)	25,823
Total	841,320	(71,522)	536,884	100,598	(11,461)	(31,652)	1,364,167
Accumulated depreciation							
Leasehold land	32,334	(11,904)	63,656	5,135	(223)	(302)	88,696
Land improvements	3,742	–	–	248	–	–	3,990
Landfill	1,816	–	–	288	–	–	2,104
Building and infrastructures	156,886	(3,532)	21,798	12,519	375	(367)	187,679
Golf course	10,302	–	–	544	–	–	10,846
Utilities plant and machinery	226,558	–	–	11,324	–	(217)	237,665
Machinery and equipment	52,529	(1,812)	29,050	6,112	131	(1,140)	84,870
Vessels and ferry equipment	25,896	–	–	3,248	–	(6)	29,138
Working wharf	1,685	–	–	–	–	–	1,685
Transportation equipment and vehicles	5,323	(7,392)	45,390	15,124	(5,071)	(1,897)	51,477
Medical equipment	733	–	–	18	–	–	751
Furniture, fixtures and equipment	19,409	(132)	–	1,333	–	(101)	20,509
Office equipment	3,500	(2,778)	18,745	3,090	329	(111)	22,775
Resort equipment	2,249	–	–	74	–	(34)	2,289
Reservoir	5,478	–	–	353	–	–	5,831
Telecommunication equipment	8,054	(1,721)	–	505	–	(6)	6,832
Leasehold improvements	1,032	280	102	1,016	–	929	3,359
Construction-in-progress	–	(95)	124	(29)	–	–	–
Total	557,526	(29,086)	178,865	60,902	(4,459)	(3,252)	760,496

4 Property, plant and equipment (Cont'd)

The Group	**Balance at 31.12.2013**
	$'000
Net book value	
Leasehold land	117,229
Land improvements	1,186
Landfill	2,138
Building and infrastructures	99,013
Golf course	14,461
Utilities plant and machinery	71,079
Machinery and equipment	64,676
Vessels and ferry equipment	23,492
Working wharf	–
Transportation equipment and vehicles	134,624
Medical equipment	68
Furniture, fixtures and equipment	5,880
Office equipment	30,595
Resort equipment	128
Reservoir	3,882
Telecommunication equipment	3,758
Leasehold improvements	5,639
Construction-in-progress	25,823
Total	603,671

Depreciation expense

		The Company		**The Group**	
		2014	**2013**	**2014**	**2013**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Depreciation expense charged to:					
Profit or loss	28	**39**	73	**83,893**	60,902
		39	73	**83,893**	60,902

(i) As at 31 December 2014, certain property, plant and equipment with carrying value totalling approximately $288,455,000 (2013 – $44,173,000) have been pledged as security to banks to secure borrowing and credit facilities for the Group (Note 17(i) and (iii)).

(ii) The carrying amount of transportation equipment and vehicles held under finance leases at 31 December 2014 amounted to $8,423,000 (2013 – $1,792,000) (Note 17(iv)).

4 Property, plant and equipment (Cont'd)

Depreciation expense (Cont'd)

The leasehold land on Bintan Island represents 1,696.95 ha used as site for utilities and common facilities under PT Bintan Resort Cakrawala.

The details of the leasehold land ("Hak Guna Bangunan"/"HGB") under PT Bintan Resort Cakrawala comprise the following:

HGB	Expiration date
Land parcels AU1	13 December 2023 (66 ha)
Land parcels BT1a	16 February 2025 (50.72 ha)
Land parcels WR1	16 February 2025 (1,560 ha)

The leasehold land and property ("Hak Guna Bangunan"/"HGB") at Batam Island, which are leased from Batam Industrial Development Authority, are held for 30 years up to the following expiration dates:

HGB	Expiration date
PT Batamindo Investment Cakrawala (250.2 ha)	17 and 18 December 2019 (50.3 ha and 169.5 ha), 26 February 2025 (28.9 ha) and 1 July 2031 (1.5 ha)
PT Batamindo Executive Village (213 ha)	31 August 2020

PT Bintan Inti Industrial Estate's HGB at Bintan Island is valid for 30 years up to the following expiration dates:

HGB	Expiration date
PT Bintan Inti Industrial Estate (277.8 ha excluding land sold)	24 August 2075 (268.31 ha) and 13 December 2023 (9.52 ha)

The Group obtained approval from *Badan Pertanahan Nasional* to renew its HGB title over those land parcels for 20 years and also for another 30 years if the land parcels were utilised in accordance with their zone functions based on Government Decree No. 40/1993 article 4.

4 Property, plant and equipment (Cont'd)

Depreciation expense (Cont'd)

The details of the leasehold land ("Hak Guna Bangunan"/"HGB") under PT Indomobil Sukses Internasional Tbk and its subsidiaries comprise the following:

HGB	Expiration date
PT Indomobil Sukses Internasional Tbk. and its subsidiaries	26 July 2015 to 4 April 2044 (111.39 ha)

As at 31 December 2014, construction-in-progress at the Industrial Parks amounting to $1,725,000 (2013 – $1,757,000) includes all costs related to the construction of the industrial complex and supporting infrastructures and amenities. The accumulated costs will be transferred to the appropriate property and equipment and investment properties accounts upon completion.

As at 31 December 2014, construction-in-progress at the Executive Village amounting to $992,000 (2013 – $992,000) represents all preliminary costs related to the construction of condominium and for golf course such as design, soil investigation and consultation fee.

As at 31 December 2014, construction-in-progress of PT Indomobil Sukses Internasional Tbk and its subsidiaries amounting to $16,915,000 (2013 – $17,967,000) represents all preliminary costs related to the construction of buildings and improvement and vehicles.

The remaining balance of construction-in-progress represents mainly all preliminary costs related to the construction of urban beach centre in Bintan Island which amounted to $2,244,000 (2013 – $5,107,000).

5 Investment properties

The Group	**2014 $'000**	**2013 $'000**
Cost		
Balance at beginning of year	**571,321**	569,620
Additions	**588**	379
Transfer from construction-in-progress	**153**	1,322
Balance at end of year	**572,062**	571,321
Accumulated depreciation		
Balance at beginning of year	**384,830**	362,340
Depreciation for the year	**22,557**	22,490
Balance at end of year	**407,387**	384,830
Net book value	**164,675**	186,491
Rental income (Note 28)	**26,587**	27,621
Direct operating expenses arising from investment property that generated rental income (Note 28)	**(23,714)**	(23,573)
Gross profit arising from investment properties	**2,873**	4,048

5 Investment properties (Cont'd)

Investment properties of the Group are held mainly for use by tenants under operating leases. The following are the details of the investment properties of the Group:

Description and location	Gross Area (approximately)
Factories, dormitories, commercial complex and housing in Batamindo Industrial Park, Batamindo Executive Village and Bintan Inti Industrial Estate situated at Batam Island and Bintan Island	813,543 sqm

As of 31 December 2014, the fair value of the investment properties of $459,194,000 (2013 – $459,194,000) was based on valuation using the income approach/cost approach by independent professional valuers, KJPP Rengganis, Hamid & Rekan after taking into consideration the prevailing market conditions and other factors considered appropriate by the Directors, except for PT Batamindo Executive Village (PT BEV)'s investment properties. The net carrying values of PT BEV's investment properties as of 31 December 2014 amounted to $269,000 (2013 – $287,000) which approximates fair value based on management's estimates.

6 Subsidiaries

	2014 $'000	2013 $'000 Restated
The Company		
– quoted equity securities	**1,328,805**	1,328,805
– unquoted equity securities	**1,207,876**	1,207,876
– unquoted equity securities – at deemed cost*	**–**	–
	2,536,681	2,536,681

* Please refer to Note 2(a) on significant judgement relating to the consolidation of MSL as a subsidiary by virtue of its contractual rights under the MSL Notes and MSL Warrants. MSL has been regarded as a subsidiary carried at its deemed cost of nil.

Management has determined that a subsidiary is considered material to the Group if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its revenue accounts for 10% or more of the Group's consolidated revenue.

6 Subsidiaries (Cont'd)

Details of the Group's material subsidiaries at the end of the reporting period are set out below:

Name	Place of incorporation and operation	Proposition of ownership interest and voting rights held by the Group 2014 %	2013 %	Principal activities
Held by the Company				
PT Indomobil Sukses Internasional Tbk ("PT IMAS")(1)	Indonesia	**71.49**	71.49	Investment holding
PT Batamindo Investment Cakrawala ("PT BIC")(2)	Indonesia	**99.99**	99.99	Development and management of industrial estate
Market Strength Limited ("MSL")(4)	British Virgin Islands	**99.99**	99.99	Investment holding
Held by Verizon Resorts Limited				
PT Buana Megawisatama ("PT BMW")(3)	Indonesia	**99.99**	99.99	Wholesaler of hotels, resorts and golf courses, resort development activities and business management consultancy

Notes:

(1) Audited by Purwantono, Suherman & Surja, a member firm of Ernst & Young Global Limited

(2) Audited by Kosasih, Nurdiyaman, Tjahjo & Rekan, a member firm of Crowe Horwath International

(3) Audited by Drs Johan Malonda Mustika & Rekan

(4) MSL is deemed to be a 99.99% owned subsidiary of the Company, by virtue of its contractual rights under the MSL Notes and MSL Warrants which give the Company power to direct MSL's relevant activities.

6 Subsidiaries (Cont'd)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Place of incorporation and operation	Number of subsidiaries 2014	Number of subsidiaries 2013
Car rental	Indonesia	**4**	4
Development, operation and management of industrial park/resorts/residential/country club	Indonesia	**5**	5
Distributor/dealership	Indonesia	**47**	47
Dormant	Singapore	**1**	1
Dormant	Indonesia	**1**	1
Financing	Indonesia	**1**	1
Investment holding	British Virgin Islands	**4**	6
Investment holding	Indonesia	**2**	2
Investment holding	Malaysia	**1**	1
Investment holding	Seychelles	**1**	1
Investment holding	Singapore	**1**	1
Logistic	Indonesia	**1**	–
Management and consultancy services	Indonesia	**2**	2
Management and consultancy services	Singapore	**2**	2
Manufacturing/assembling	Indonesia	**2**	2
Mining and exploration	Indonesia	**1**	1
Plantation/Forestry contractor	Indonesia	**2**	1
Press and dies manufacturing	Indonesia	**2**	2
Provision of ferry services	Singapore	**1**	1
Telecommunication services	Indonesia	**1**	1
Trading	Indonesia	**8**	7
Workshop/gas station	Indonesia	**2**	2
		92	91

Shares held in PT BIC and PT IMAS have been pledged as securities for bank borrowings (Note 17(iii)(a)).

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

6 Subsidiaries (Cont'd)

a. Summarised Consolidated Statement of Financial Position

	PT Indomobil Sukses Internasional Tbk and its subsidiaries As at 31 December	
	2014	**2013**
	$'000	**$'000**
Current assets	**1,257,189**	1,204,513
Non-current assets	**1,179,157**	1,065,277
Current liabilities	**(1,217,695)**	(1,112,967)
Non-current liabilities	**(559,442)**	(512,928)
Equity attributable to owners of the Company	**(558,194)**	(565,236)
Non-controlling interests	**(101,015)**	(78,659)

b. Summarised Consolidated Statement of Comprehensive Income

	PT Indomobil Sukses Internasional Tbk and its subsidiaries For year ended 31 December	
	2014	**2013**
	$'000	**$'000**
Revenue	**2,074,000**	1,629,764
Expenses	**(2,086,708)**	(1,580,205)
(Loss)/profit for the year	**(12,708)**	49,559
(Loss)/profit attributable to owners of the Company	**(18,760)**	41,940
Profit attributable to non-controlling interest	**6,052**	7,619
(Loss)/profit for the year	**(12,708)**	49,559
Other comprehensive income attributable to owners of the Company	**17,415**	(99,433)
Other comprehensive income attributable to non-controlling interest	**2,879**	(5,489)
Other comprehensive income for the year	**20,294**	(104,922)
Total comprehensive income attributable to owners of the Company	**(1,345)**	(57,493)
Total comprehensive income attributable to non-controlling interest	**8,931**	2,130
Total comprehensive income for the year	**7,586**	(55,363)

6 Subsidiaries (Cont'd)

c. Summarised Consolidated Statement of Cash Flows

	PT Indomobil Sukses Internasional Tbk and its subsidiaries	
	For year ended 31 December	
	2014	2013
	$'000	$'000
Net cash inflow from operating activities	**56,129**	(124,203)
Net cash outflow from investing activities	**(65,206)**	(79,740)
Net cash inflow from financing activities	**9,166**	265,204
Net cash inflow	**89**	61,261

7 Associates

The Group	2014 $'000	2013 $'000 Restated
Unquoted equity investments, at cost		
Beginning of the year	**548,678**	273,524
Acquisition of subsidiaries	**–**	238,501
Additions during the year	**26,584**	37,181
Disposal during the year	**(16,634)**	(528)
	558,628	548,678
Exchange translation difference	**(10,603)**	(59,313)
Share of post-acquisition reserves	**(73,381)**	2,069
Dividend paid by associates companies	**(4,346)**	(4,454)
	470,298	486,980

(a) During the year, one of the Company's subsidiary, PT BIC, had disposed of its entire 49% shareholding in Gallant Power and Resources Limited.

(b) In July 2014, PT Hino Finance Indonesia ("PT HFI") was established with the Company's subsidiary, PT IMJ, who holds 66.67%. In December 2014, PT IMJ's shareholding in PT HFI was reduced to 40% as a result of the increased in the share capital of PT HFI.

7 Associates (Cont'd)

Set out below are the associates of the Group as at 31 December 2014, which, in the opinion of the directors are material to the Group.

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by Group 2014 %	2013 %
Indirectly held through PT IMAS's subsidiaries				
PT Hino Motor Sales Indonesia ("PT HMSI")(1)	Distributor	Indonesia	**28.6**	28.6
PT Nissan Motor Indonesia ("PT NMI")(1)	Manufacturing	Indonesia	**17.87**	17.87
PT Nissan Motor Distributor Indonesia ("PT NMDI")(1)	Distributor	Indonesia	**17.87**	17.87
PT Swadharma Indotama Finance ("PT SIF")(2)	Financing	Indonesia	**17.56**	17.56
Super Concord Holdings Limited ("Super Concord")(3)	Investment Holding	Hong Kong	**49.00**	49.00
World Elite Investments Limited ("World Elite")(3)	Investment Holding	Hong Kong	**37.50**	37.50

(1) Audited by Purwantono, Suherman & Surja, a member of Ernst & Young Global Limited

(2) Audited by Johan Malonda Mustika & Rekan

(3) Audited by PricewaterhouseCoopers

All of these associates are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements in accordance with FRSs.

a. Summarised Statements of Financial Position

	PT HMSI Year ended 31.12.2014 $'000	PT HMSI Year ended 31.12.2013 $'000	PT NMI Year ended 31.12.2014 $'000	PT NMI Year ended 31.12.2013 $'000
Current assets	**486,798**	383,201	**333,440**	395,046
Non-current assets	**14,621**	9,163	**288,612**	266,299
Current Liabilities	**(435,987)**	(314,170)	**(230,773)**	(207,555)
Non-current liabilities	**(711)**	(568)	**(4,005)**	(3,203)

7 Associates (Cont'd)

a. Summarised Statements of Financial Position (Cont'd)

	PT NMDI Year ended		PT SIF Year ended	
	31.12.2014 $'000	**31.12.2013 $'000**	**31.12.2014 $'000**	**31.12.2013 $'000**
Current assets	**171,123**	195,323	**94,609**	93,256
Non-current assets	**18,058**	19,095	**4,568**	2,835
Current Liabilities	**(150,023)**	(135,540)	**(15,565)**	(5,286)
Non-current liabilities	**(1,719)**	(1,328)	**(65,755)**	(75,264)

	Super Concord Year ended		World Elite Year ended	
	31.12.2014 $'000	**31.12.2013 $'000**	**31.12.2014 $'000**	**31.12.2013 $'000**
Current assets	**6**	1	**–**	–
Non-current assets	**255,520**	245,827	**99,210**	90,479
Current Liabilities	**(84,779)**	(75,494)	**(570)**	(522)
Non-current liabilities	**(85,162)**	(81,666)	**(56,775)**	(54,444)

b. Summarised Statements of Comprehensive Income

	PT HMSI Year ended		PT NMI Year ended	
	31.12.2014 $'000	**31.12.2013 $'000**	**31.12.2014 $'000**	**31.12.2013 $'000**
Revenue	**750,311**	1,072,434	**513,853**	654,030
Profit from continuing operations	**(5,545)**	11,266	**(73,932)**	15,750
Post-tax profit/(loss) from discontinued operations	**–**	–	**–**	–
Other comprehensive income for the year	**–**	–	**–**	–
Total comprehensive income for the year	**(5,545)**	11,266	**(73,932)**	15,750
Dividends received from the associate during the year	**9,144**	7,609	**–**	–

7 Associates (Cont'd)

b. Summarised Statements of Comprehensive Income (Cont'd)

	PT NMDI Year ended		PT SIF Year ended	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	**643,958**	790,759	**14,337**	10,668
Profit from continuing operations	**(41,354)**	(15,530)	**1,989**	1,722
Post-tax profit/(loss) from discontinued operations	**–**	–	**–**	–
Other comprehensive income for the year	**–**	–	**–**	–
Total comprehensive (loss)/income for the year	**(41,354)**	(15,530)	**1,989**	1,722
Dividends received from the associate during the year	**–**	–	**–**	–

	Super Concord Year ended		World Elite Year ended	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	–	–	–	–
(Loss)/profit from continuing operations	**(13,373)**	(7,719)	**(26)**	6
Post-tax profit/(loss) from discontinued operations	**–**	–	**–**	–
Other comprehensive (loss)/income for the year	**(368)**	2,528	**(128)**	900
Total comprehensive (loss)/income for the year	**(13,741)**	(5,191)	**(154)**	906
Dividends received from the associate during the year	**–**	–	**–**	–

7 Associates (Cont'd)

b. Summarised Statements of Comprehensive Income (Cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

The Group	**2014 $'000**	**2013 $'000**
Net assets of the associates	**634,741**	745,485
Proportion of the Group's ownership interest in the associates	**155,186**	176,083
Other adjustments (PPA adjustment)	**67,049**	67,049
Carrying amount	**222,235**	243,132
Carrying amount of individually immaterial associates	**248,063**	243,848
Carrying amount of the Group's interest in the associates	**470,298**	486,980

Aggregate information of associates that are not individually material

Summarised Statements of Comprehensive Income

The Group	**2014 $'000**	**2013 $'000**
Profit from continuing operations	**1,853**	7,820
Post-tax profit from discontinued operations	**–**	–
Other comprehensive income for the year	**–**	–
Total comprehensive income for the year	**1,853**	7,820

8 Financing receivables

The following consists of consumer financing receivables and investment in finance leases from subsidiaries engaged in financial services.

The Group	**2014 $'000**	**2013 $'000**
Current		
Net investment in financing leases	**238,032**	139,708
Consumer financing receivables – net	**170,543**	166,551
	408,575	306,259
Non-Current		
Net investment in financing leases	**202,158**	217,580
Consumer financing receivables – net	**155,352**	128,897
	357,510	346,477
	766,085	652,736

8 Financing receivables (Cont'd)

As at 31 December 2014, financing receivables amounting to $326 million (2013 – $276 million) and $144 million (2013 – $140 million) have been pledged as security for borrowings (Note 17(iii)) and debt securities (Note 18) respectively.

The effective interest rates of consumer financing receivables in Indonesian Rupiah are ranging from 10.84% to 36.39% per annum and 8.68% to 9.37% per annum in US dollar as of 31 December 2014 (2013 – 8.40% to 36% and 7.98% to 9.85% in US dollar).

The effective interest rates of net investment in financing leases in Indonesian Rupiah are ranging from 8.46% to 19.96% per annum and 7.25% to 9.38% per annum in US dollar as of 31 December 2014 (2013 – 8.40% to 15.83% and 7.25% to 9.38% in US dollar).

a. Consumer financing receivables – net

	Include unearned consumer financing receivables		**Exclude unearned consumer financing receivables**	
The Group	**2014 $'000**	**2013 $'000**	**2014 $'000**	**2013 $'000**
Third Parties				
Within one year	**216,417**	203,028	**173,050**	168,307
Between 2 – 5 years	**187,121**	151,774	**157,607**	130,814
After 5 years	**2**	1	**2**	439
	403,540	354,803	**330,659**	299,560
Related parties				
Within one year	**–**	303	**–**	284
	–	303	**–**	284
Total	**403,540**	355,106	**330,659**	299,844
Less allowance for impairment losses	**(4,764)**	(4,396)	**(4,764)**	(4,396)
Consumer financing receivables – net	**398,776**	350,710	**325,895**	295,448

8 Financing receivables (Cont'd)

a. Consumer financing receivables – net (Cont'd)

The ageing of consumer financing receivables past due but not impaired as at 31 December 2014 is as follows:

The Group	**2014 $'000**	**2013 $'000**
Past due 1 – 30 days	**4,553**	3,693
Past due 31 – 60 days	**1,809**	2,453
Past due more than 60 days	**1,229**	1,649
	7,591	7,795

Movements in the allowance for impairment of consumer financing receivables are as follows:

The Group	**2014 $'000**	**2013 $'000**
Beginning of the year	**4,396**	–
Allowance for impairment as at date of acquisition	**–**	4,748
Allowance for the year	**12,747**	15,235
Written off during the year	**(12,474)**	(15,639)
Translation differences	**95**	52
Balance at end of the year	**4,764**	4,396

Management believes that the above allowance for impairment losses on consumer financing receivables is adequate to cover possible losses that may arise from non-cancellation of financing receivables.

The consumer financing receivables are denominated in the following currencies:

The Group	**2014 $'000**	**2013 $'000**
Indonesian rupiah	**316,015**	280,867
United State dollar	**9,880**	14,581
	325,895	295,448

8 Financing receivables (Cont'd)

a. Consumer financing receivables – net (Cont'd)

The consumer financing debtors relate primarily to the Group's motor vehicle and motorcycle financing. Before accepting new customers, the Group assesses the potential customers' credit worthiness and sets credit limits by using its internal systems. The receivables given to the customers for financing of vehicles are secured by Certificates of Ownership (BPKB) or other documents of ownership which give the Group the right to sell the repossessed collateral or take any other action to settle the outstanding debt.

The loan period ranges from 12 to 36 months for motorcycles, 12 to 60 months for passenger cars and 12 to 36 months for commercial vehicles and heavy equipment and machinery. Default or delinquency in payment is considered an indicator that the debtor balances are impaired. An allowance for impairment is made based on the estimated irrecoverable amount by reference to past default experience. The Group has the right to repossess the assets whenever its customers default on their instalment obligations. It usually exercises its right if the loan which has been overdue for 30 days or longer for motorcycle and passenger car and 60 days or longer for commercial vehicle and heavy equipment and machinery. Management has considered the balances against which collective impairment provision is made as impaired.

b. Net investment in financing leases

	Gross investments		**Net investments**	
The Group	**2014**	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Third Parties				
Within one year	**284,054**	174,732	**242,489**	140,618
Between 2 – 5 years	**232,963**	248,077	**205,872**	221,963
After 5 years	**–**	–	**–**	–
	517,017	422,809	**448,361**	362,581
Residual value	**200,726**	146,263	**200,726**	146,263
Security deposits	**(200,726)**	(146,263)	**(200,726)**	(146,263)
Less: allowance for impairment losses	**(8,171)**	(5,293)	**(8,171)**	(5,293)
Investment in financing lease – net	**508,846**	417,516	**440,190**	357,288

Gross investments include unearned lease income.

All the net investment in financing leases are not past due.

8 Financing receivables (Cont'd)

b. Net investment in financing leases (Cont'd)

Movements in the allowance for impairment of net investment in finance lease are as follows:

	2014 $'000	2013 $'000
Beginning of the year	**5,293**	–
Allowance for impairment as at date of acquisition	**–**	1,038
Allowance for the year	**4,955**	5,237
Written off during the year	**(2,175)**	(351)
Translation differences	**98**	(631)
Balance at end of the year	**8,171**	5,293

Management believes that the above allowance for impairment losses on financing receivables on net investment in finance lease is adequate to cover possible losses that may arise from non-cancellation of financing receivables.

The financing receivables on net investment in financing lease are denominated in the following currencies:

	2014 $'000	2013 $'000
Indonesian rupiah	**224,566**	153,758
United State dollar	**215,624**	203,530
	440,190	357,288

9 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred income tax assets against deferred income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

The Company	2014 $'000	2013 $'000
Deferred tax assets		
To be recovered within one year	**–**	–
To be recovered after one year	**6,211**	1,344
	6,211	1,344

9 Deferred taxation (Cont'd)

The Group	2014 $'000	2013 $'000
Deferred tax assets		
To be recovered within one year	**–**	–
To be recovered after one year	**44,087**	34,780
	44,087	34,780
Deferred tax liabilities		
To be recovered within one year	**–**	–
To be recovered after one year	**97,882**	99,864
	97,882	99,864

The balance of deferred tax assets and liabilities comprise tax on:–

The Company	Balance at 1 January 2014 $'000	Charged/ (credited) to profit or loss $'000	Balance at 31 December 2014 $'000
Deferred tax assets			
Fiscal loss net of expired tax loss	**1,356**	**5,125**	**6,481**
Property, plant and equipment	**(5)**	**(69)**	**(74)**
Interest income	**(7)**	**(189)**	**(196)**
	1,344	**4,867**	**6,211**

The Company	Balance at 1 January 2013 $'000	Charged/ (credited) to profit or loss $'000	Balance at 31 December 2013 $'000
Deferred tax assets			
Fiscal loss net of expired tax loss	184	1,172	1,356
Property, plant and equipment	(3)	(2)	(5)
Interest income	(308)	301	(7)
	(127)	1,471	1,344

9 Deferred taxation (Cont'd)

The Group	Balance at 1 January 2014 $'000	Credited/ (charged) to profit or loss (Note 29) $'000	Charge to OCI for the year $'000	Foreign exchange difference $'000	Balance at 31 December 2014 $'000
Deferred tax assets					
Fiscal loss net of expired tax loss	27,904	8,150	–	1,183	37,237
Estimated liability for employee service entitlements	3,522	886	(16)	67	4,459
Allowance for doubtful debts	228	125	–	4	357
Allowance for impairment loss of investments	2,551	–	–	56	2,607
Valuation allowance	(1,046)	1,046	–	–	–
Property, plant and equipment	(4,362)	(1,605)	–	(66)	(6,033)
Foreclosed and intangible assets	445	42	–	9	496
Lease transaction	129	205	–	1	335
Others	5,409	(903)	–	123	4,629
	34,780	7,946	(16)	1,377	44,087

	Balance at 1 January 2014 $'000 Restated	Credited/ (charged) to profit or loss (Note 29) $'000	Charge to OCI for the year $'000	Foreign exchange difference $'000	Balance at 31 December 2014 $'000
Deferred tax liabilities					
Fiscal loss net of expired tax loss	715	(102)	–	30	643
Estimated liability for employee service entitlements	402	106	67	8	583
Property, plant and equipment	(3,075)	(1,548)	–	(5)	(4,628)
Allowance for doubtful debts	63	(21)	–	–	42
Interest income	(1)	–	–	–	(1)
Amortisation of distributorships and dealerships	(95,289)	4,059	–	–	(91,230)
Others	(2,679)	(499)	–	(113)	(3,291)
	(99,864)	1,995	67	(80)	(97,882)

9 Deferred taxation (Cont'd)

The Group	Balance at 1 January 2013	Credited/ (charged) to profit or loss (Note 29)	Acquisition/ disposal of subsidiaries	Charge to OCI for the year	Foreign exchange difference	Balance at 31 December 2013
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax assets						
Fiscal loss net of expired tax loss	4,681	11,348	14,688	–	(2,813)	27,904
Estimated liability for employee service entitlements	1,576	617	2,364	(336)	(699)	3,522
Allowance for doubtful debts	(150)	(223)	734	–	(133)	228
Allowance for impairment loss of investments	2,500	(2,500)	3,117	–	(566)	2,551
Valuation allowance	(3,867)	2,821	–	–	–	(1,046)
Property, plant and equipment	(761)	(1,477)	(2,753)	–	629	(4,362)
Foreclosed and intangible assets	–	39	496	–	(90)	445
Lease transaction	–	188	(72)	–	13	129
Others	–	409	6,109	–	(1,109)	5,409
	3,979	11,222	24,683	(336)	(4,768)	34,780

The Group	Balance at 1 January 2013	Credited/ (charged) to profit or loss (Note 29)	Acquisition/ disposal of subsidiaries	Charge to OCI for the year	Foreign exchange difference	Balance at 31 December 2013
	$'000	$'000	$'000	$'000	$'000	$'000
	Restated	Restated				Restated
Deferred tax liabilities						
Fiscal loss net of expired tax loss	1,054	(184)	–	–	(155)	715
Estimated liability for employee service entitlements	484	(35)	53	(36)	(64)	402
Property, plant and equipment	(3,257)	(130)	(204)	–	516	(3,075)
Allowance for doubtful debts	139	(76)	–	–	–	63
Interest income	(309)	308	–	–	–	(1)
Amortisation of distributorships and dealerships	–	5,762	(101,051)	–	–	(95,289)
Others	–	(1,100)	(1,929)	–	350	(2,679)
	(1,889)	4,545	(103,131)	(36)	647	(99,864)

9 Deferred taxation (Cont'd)

The Group	Balance at 1 January 2012	Credited/ (charged) to profit or loss	Charge to OCI for the year	Foreign exchange difference	Balance at 31 December 2012
	$'000	$'000	$'000	$'000	$'000
Deferred tax liabilities					
Fiscal loss net of expired tax loss	1,110	60	–	(116)	1,054
Estimated liability for employee service entitlements	209	255	45	(25)	484
Property, plant and equipment	(2,822)	(745)	–	310	(3,257)
Allowance for doubtful debts	1	138	–	–	139
Interest income	(520)	211	–	–	(309)
	(2,022)	(81)	45	169	(1,889)

Unrecognised taxable temporary differences associated with investments in subsidiaries and associates

Deferred income tax liabilities of $58,000,000 (2013 – $51,000,000) have not been recognised for withholding and other taxes that will be payable on the earnings of overseas subsidiaries and associates when remitted to the holding company.

10 Other non-current assets

	Note	The Company 2014 $'000	The Company 2013 $'000	The Group 2014 $'000	The Group 2013 $'000 Restated
Unquoted investments in shares of stock					
– at cost					
Beginning of the year		**–**	–	**37,043**	10,000
Acquisition of subsidiaries		**–**	–	**–**	33,042
Addition during the year		**–**	–	**33**	4
Translation differences		**–**	–	**590**	(6,003)
				37,666	37,043
– allowance for impairment losses	(i)	**–**	–	**(10,000)**	(10,000)
		–	–	**27,666**	27,043
Quoted investment in shares of stock					
Beginning of the year		**–**	–	**72,120**	–
Acquisition of subsidiaries		**–**	–	**–**	94,906
Fair value reserve		**–**	–	**5,558**	(7,191)
Translation difference		**–**	–	**1,689**	(15,595)
	(ii)	**–**	–	**79,367**	72,120

10 Other non-current assets (Cont'd)

		The Company		The Group	
		2014	2013	2014	2013
	Note	$'000	$'000	$'000	$'000 Restated
Derivative assets	23	**–**	–	**17,031**	17,727
Loan receivable	(iii)	**–**	–	**47,500**	47,500
Note receivables	(iv)	**6,617**	6,343	**6,617**	6,343
Golf membership	(v)	**–**	–	**1,607**	1,680
Interest receivable from notes receivable	(iv)	**3,354**	2,609	**3,354**	2,609
Estimated claims for tax refund		**–**	–	**32,727**	25,064
Restrictive cash in banks and time deposits		**–**	–	**928**	905
Other receivables		**–**	–	**48,927**	48,109
Prepayment and deposits		**188**	188	**991**	1,395
		10,159	9,140	**266,715**	250,495

(i) The unquoted equity investments comprise a subsidiary's shares of approximately 10% of total shares in Bintan Lagoon Resort Ltd ("BLRL") and are classified as available-for-sale financial assets. There is also no active market for the equity interest as the purchase agreement stipulated the requirement to sell all interests to the main shareholder, when the need arises. As such, it is not practicable to determine with sufficient reliability the fair value of the unquoted equity shares. The carrying amount of the unquoted equity investments has been fully impaired due to carrying amount of BLRL had been below cost for prolonged period.

(ii) The quoted equity investments represent the Group's investment in shares of PT Mutistrada Arah Sarana Tbk. which are listed on Indonesian Stock Exchange. These are classified as available-for-sale financial assets and stated at fair value.

Subsequent to the end of the reporting period, there was a further decline on the quoted prices of the available-for-sale financial assets which would have resulted in a further decline in fair value of $15,277,000.

(iii) The original convertible loan receivable of approximately $62,046,000 was unsecured and was convertible at the option of its subsidiary, Verizon Resorts Limited ("VRL"), into shares in the capital of PT Alam Indah Bintan ("PT AIB") at the par value of each PT AIB share of US$1. The conversion price was agreed between the parties taking into account the unaudited net liabilities of PT AIB as at 31 December 2004 of approximately $14,900,000. Interest on the loan is at the rate of 1.5% above the Singapore Inter-bank Offer Rate ("SIBOR") on a quarterly basis per annum. The PT AIB Convertible Loan shall be settled via repayment and/or the issue of PT AIB shares pursuant to the exercise of the option, in any event by 31 December 2009.

10 Other non-current assets (Cont'd)

On 31 December 2009, PT AIB made a payment of principal and interest amounting to approximately $13,300,000. The outstanding principal amount under PT AIB convertible bond after the repayment is $60,000,000 and both parties have agreed to extend the tenure of the convertible bond from 31 December 2009 to 31 December 2010. The interest on the extended loan is at the rate of 1.75% above the SIBOR on a quarterly basis per annum.

On 3 September 2010, PT AIB made another repayment of principal and interest amounting to approximately $13,600,000 and reduced the balance of the convertible bond to $47,500,000. The tenure of the convertible bond has been extended to 31 December 2015, though it is expected to be recovered after that. The interest on the extended loan is at the rate of 4.75% above the SIBOR on a quarterly basis per annum.

The conversion of the loan receivable from PT AIB into PT AIB shares would result in VRL holding approximately 45.7% of the enlarged issued share capital of PT AIB. In that event, PT AIB will become an associate of VRL.

The loan receivable is denominated in Singapore dollars and is due later than one year and not later than five years.

(iv) Interest receivable from Note Receivables

Amount owing by associate-Super Concord Holdings Limited

On 30 September 2010, the Company entered into an assignment agreement with MSL, whereas MSL agreed to assign US$5,000,000 notes receivable from Super Concord Holdings Limited to the Company as a discharge of MSL's debt to the Company. The notes bear interest at 9% per annum and are due on 1 December 2015. The notes receivable has been extended and is due later than one year and not later than five years.

(v) Golf membership represents the value of non-refundable unsold golf membership. Due to the low market demand for golf membership, the Group wrote down the non-refundable membership to its recoverable amount. The recoverable amount is based on the published market price of the golf membership which is ranging from $5,000 to $8,000 for each golf membership as of 31 December 2014. (2013 – $5,000 to $8,000)

11 Land inventories

The Group	**2014** **$'000**	**2013** **$'000**
Land for sale, at cost	**609,798**	597,092

As at 31 December 2014, PT SBP's land inventories comprise 3,744 ha (2013 – 3,744 ha) with Building Use Right ("HGB"). Part of the land's HGB for 3,285 ha (2013 – 3,285 ha) will expire in 30 years while the HGB of 459 ha (2013 – 459 ha) has been extended and renewed for period of 80 years.

11 Land inventories (Cont'd)

As at 31 December 2014, PT BMW's land inventories comprise 13,932 ha (2013 – 13,996 ha) of land with HGB certificates. Part of the land's HGB amounting to 12,126 ha (2013 – 12,118 ha) will expire in 30 years while the HGB of 1,806 ha (2013 – 1,878 ha) has been extended and renewed for a period of 80 years.

12 Other inventories

The Group	**2014** **$'000**	**2013** **$'000**
Finished/trading goods[1]	**273,468**	373,814
Work-in-progress	**1,476**	1,226
Raw and indirect materials	**8,186**	5,907
Spare parts	**66,914**	55,649
Inventories-in-transit	**2,026**	28,589
Fuel and lubrication oil	**4,108**	6,311
Consumables and supplies	**5,641**	5,815
Others	**6,842**	3,348
Allowance for inventories obsolescence	**(2,151)**	(2,125)
	366,510	478,534

[1] The finished/trading goods consist of automobiles, motorcycles and stamping dies.

Movements in the allowance for inventories obsolescence are as follows:

	2014 **$'000**	**2013** **$'000**
Beginning of the year	**2,125**	1,577
Allowance for impairment as at date of acquisition	**–**	874
Allowance for the year	**113**	–
Reversal of allowance during the year	**(102)**	(174)
Translation differences	**15**	(152)
End of the year	**2,151**	2,125

In 2014, $11,000 (2013 – ($174,000)) was recognised to profit or loss as inventory obsolescence due to slow moving consumables and supplies.

The reversals of allowance during the year and prior year were made when the related inventories were sold above their carrying amount in previous periods.

Inventories amounting to $218 million at 31 December 2014 (2013 – $186 million) have been pledged as collateral for bank borrowing (Note 17(i) and (iii)) and debt securities (Note 18).

13 Trade and other receivables

	Note	The Company 2014 $'000	The Company 2013 $'000	The Group 2014 $'000	The Group 2013 $'000
Trade receivables					
– related parties		**–**	–	**23,471**	29,742
– external parties		**–**	–	**373,850**	270,539
Impairment of trade receivables		**–**	–	**(6,181)**	(4,234)
Net trade receivables	(i)	**–**	–	**391,140**	296,047
Other receivables:					
Refundable deposits		**94**	43	**114**	46
Prepayments		**1,223**	1,092	**49,280**	54,621
Amount owing by subsidiaries		**117,295**	119,761	**–**	–
Amount owing by related parties		**16**	–	**47,672**	32,493
Interest receivables		**–**	–	**6,237**	9,867
Foreclosed assets	22	**–**	–	**5,204**	3,893
Others		**1,357**	399	**47,966**	13,422
		119,985	121,295	**156,473**	114,342
Impairment of other receivables		**–**	–	**(1,159)**	(1,136)
Net other receivables	(ii)	**119,985**	121,295	**155,314**	113,206
Total	(i) + (ii)	**119,985**	121,295	**546,454**	409,253

Trade and other receivables are denominated in the following currencies:

	The Company 2014 $'000	The Company 2013 $'000	The Group 2014 $'000	The Group 2013 $'000 Restated
Singapore dollar	**119,487**	121,295	**125,097**	82,952
Indonesian rupiah	**–**	–	**68,317**	242,589
United States dollar	**498**	–	**348,080**	76,006
Euro	**–**	–	**3,808**	5,670
Swedish Krona	**–**	–	**1,110**	2,036
Others	**–**	–	**42**	–
	119,985	121,295	**546,454**	409,253

The ageing of trade and other receivables past due but not impaired is as follows:

	The Company 2014 $'000	The Company 2013 $'000	The Group 2014 $'000	The Group 2013 $'000
Past due 1 – 30 days	**–**	–	**72,417**	44,431
Past due 31 – 90 days	**–**	–	**22,702**	28,837
Past due more than 90 days	**399**	399	**237,558**	56,474
	399	399	**332,677**	129,742

13 Trade and other receivables (Cont'd)

Trade and other receivables that were neither past due nor impaired amounting to $119,586,000 (2013 – $120,896,000) and $213,777,000 (2013 – $279,511,000) for the Company and the Group related to a wide range of customers for whom there was no recent history of default. Trade and other receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due or past due over 90 days. These receivables are mainly arising from customers that have a good credit record with the Group.

The movements in allowance for impairment losses on doubtful receivables in respect of trade and other receivables were as follows:

	Allowance for impairment losses on trade receivables		Allowance for impairment losses on other receivables	
The Group	**2014**	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	**4,234**	5,410	**1,136**	1,009
Allowance as at date of acquisition	**–**	827	**–**	134
Allowance during the year	**2,351**	276	**23**	–
Allowance utilised	**(105)**	(2,178)	**–**	(8)
Reversal of allowance during the year	**(301)**	(104)	**–**	1
Translation differences	**2**	3	**–**	–
At 31 December	**6,181**	4,234	**1,159**	1,136

The reversals of allowance during the year and prior year were due to the impaired debts recovered from receivables which were previously provided for.

The average credit period for external and related parties on sales of goods and services varies among the Group's businesses but it is not more than 90 days and do not bear any interest. The credit quality of trade and other receivables is assessed based on credit policies established by the individual Group businesses. Significant financial difficulties of a trade and other debtor, probability that the trade and other debtor will enter bankruptcy or delinquency in payment are considered indicators that the trade and other debtor is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience.

As at 31 December 2014, certain trade and other receivables amounting to approximately $315 million (2013 – $131 million) were pledged to banks to secure borrowing and credit facilities of the Group (Note 17 (i) and (iii)) and debt securities (Note 18).

The non-trade amount owing by subsidiaries represents loans, which are interest-bearing, and advanced payment of expenses is unsecured and repayable on demand.

13 Trade and other receivables (Cont'd)

The non-trade amount owing by related parties represents mainly advanced payment of expenses, is non-interest bearing, unsecured and repayable on demand.

The related parties are corporate entities who are subject to common control or common significant influence by a shareholder of the Company, including fellow subsidiaries.

14 Cash and cash equivalents

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and on hand	**475**	3,012	**126,039**	133,488
Time deposits	**50**	50	**35,253**	34,875
	525	3,062	**161,292**	168,363

(i) The fixed deposits have an average maturity of 1 day to 365 days (2013: 1 day to 365 days) from the end of the financial year with the following interest values:

	2014	**2013**
Singapore dollar	**0.05%**	0.05%
Indonesian rupiah	**4.5% – 10.75%**	4.5% – 12%

(ii) The cash and cash equivalents are denominated in the following currencies:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Singapore dollar	**389**	253	**25,141**	28,378
United States dollar	**6**	2,804	**27,386**	23,422
Indonesian rupiah	**126**	–	**106,356**	115,493
Others	**4**	5	**2,409**	1,070
	525	3,062	**161,292**	168,363

15 Share capital

The Company and the Group	**No. of ordinary share**	**Amount**
		$'000
2014		
Issued and fully paid, with no par value		
Beginning and end of financial year	**4,824,965,112**	**1,880,154**

15 Share capital (Cont'd)

The Company and the Group	No. of ordinary share	Amount $'000
2013		
Issued and fully paid, with no par value		
Beginning of financial year	2,412,482,556	1,207,642
Shares issued	2,412,482,556	675,495
Share issue expenses	–	(2,983)
End of financial year	4,824,965,112	1,880,154

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets. The shares have no par value.

In prior year, the Company issued 2,412,482,556 ordinary shares for a total consideration of $675,495,116 for cash to fund the acquisition of PT IMAS. The newly issued shares rank pari passu in all respects with the previously issued shares.

The Company did not hold any treasury shares as at 31 December 2014 (2013 – Nil).

16 Reserves

		The Company 31 December		The Group 31 December		
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000 Restated	1 Jan 2013 $'000 Restated
Capital reserve	(a)	**80,000**	80,000	**(105,771)**	(105,771)	–
Translation reserve	(b)	**–**	–	**(45,930)**	(64,847)	(3,544)
Hedging reserve	(c)	**–**	–	**3,446**	5,145	–
Fair value reserve	(d)	**–**	–	**(315)**	(4,267)	–
Other reserves	(e)	**–**	–	**5,872**	6,662	(2,838)
		80,000	80,000	**(142,698)**	(163,078)	(6,382)

The capital reserve comprises equity component of convertible notes.

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

16 Reserves (Cont'd)

The hedging reserve comprises the effective portion of the cumulative change (net of taxes) in the fair value of cash flow hedging instruments related to hedged transactions that have not yet affected profit or loss.

Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are de-recognised or impaired.

Other reserves comprise of the differences arising from the change in equity of subsidiaries and effects of transaction with non-controlling interest.

Movement of reserves is as follows:

(a) Capital reserve

	The Company		**The Group**	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000 Restated**
Beginning of year	**80,000**	–	**(105,771)**	–
Convertible bond – equity component	**–**	80,000	**–**	80,000
Changes in interest in subsidiaries	**–**	–	**–**	(185,771)
At end of year	**80,000**	80,000	**(105,771)**	(105,771)

(b) Translation reserve

The Group	**2014 $'000**	**2013 $'000 Restated**
Beginning of year	**(64,847)**	(3,544)
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**25,839**	(97,141)
Less: Non-controlling interests	**(6,922)**	35,838
At end of year	**(45,930)**	(64,847)

16 Reserves (Cont'd)

(c) Hedging reserve

The Group	**2014 $'000**	**2013 $'000 Restated**
Beginning of year	**5,145**	–
(Loss)/gain arising during the year	**(2,377)**	7,454
Less: Non-controlling interests	**678**	(2,309)
At end of year	**3,446**	5,145

(d) Fair value reserve

The Group	**2014 $'000**	**2013 $'000 Restated**
Beginning of year	**(4,267)**	–
Available-for-sale financial assets – Fair value gain/(loss)	**5,558**	(7,191)
Less: Non-controlling interests	**(1,606)**	2,924
At end of year	**(315)**	(4,267)

(e) Other reserves

The Group	**2014 $'000**	**2013 $'000 Restated**
Beginning of year	**6,662**	(2,838)
Actuarial (loss)/gain during the year	**(158)**	1,279
Changes in interest in subsidiaries	**(659)**	8,295
Less: Non-controlling interests	**27**	(74)
At end of year	**5,872**	6,662

17 Borrowings

		The Company			The Group	
				1 Jan		
		2014	2013	2013	2014	2013
	Note	$'000	$'000	$'000	$'000	$'000
			Restated	Restated		
Current borrowings						
Short term loans	(i)	**–**	–	–	**516,058**	600,900
Loan from subsidiaries	(ii)	**137,503**	134,867	144,148	**–**	–
Current portion of non-current borrowings						
– Bank loans	(iii)	**–**	–	–	**286,602**	191,706
– Finance lease	(iv)	**–**	–	–	**2,341**	117
– Consumer financing	(iv)	**–**	–	–	**3,392**	3,798
– Other loans		**–**	–	–	**3,411**	3,223
		137,503	134,867	144,148	**811,804**	799,744
Non-current borrowings						
Bank loans	(iii)	**209,925**	494,888	–	**693,705**	921,798
Finance lease	(iv)	**–**	–	–	**4,869**	106
Consumer financing	(iv)	**–**	–	–	**–**	740
Other loans		**–**	–	–	**1,958**	1,139
		209,925	494,888	–	**700,532**	923,783
Total borrowings		**347,428**	629,755	144,148	**1,512,336**	1,723,527
Secured		**209,925**	494,888	–	**1,505,440**	1,579,729
Unsecured		**137,503**	134,867	144,148	**6,896**	143,798
		347,428	629,755	144,148	**1,512,336**	1,723,527

(i) Some of the short term loans are secured by the PT IMAS's subsidiaries' property, plant and equipment (Note 4), trade and other receivables (Note 13) and other inventories (Note 12) and have certain terms under the loan agreement that require PT IMAS and its subsidiaries to obtain prior approval from the borrowers with respect to transactions involving amounts that exceed certain thresholds agreed with the borrowers such as among others, mergers or acquisitions; sale or pledge of assets and engaging in non-arm's length transactions and change in majority ownership.

(ii) Loans from subsidiaries are unsecured and repayable on demand. Interest is charged at the interest rate of 1.7% to 5.75% (2013 – 1.7% to 5.75%) per annum.

17 Borrowings (Cont'd)

(iii) The details of the bank loans are as follows:–

(a) The Company

On 12 April 2013 and 10 May 2013, the Company obtained a term loan facility of US$125 million and a bridging loan of US$283.3 million from CIMB Bank, Singapore Branch to finance the acquisition of 71.49% of the PT IMAS. The facilities consist of the following:–

(1) The US$125 million term loan facilities bear interest at LIBOR plus 4.5% per annum and have a tenure of 5 years.

(2) The US$283.3 million bridging loan bear interest at LIBOR plus 4% per annum and have a tenure of 1 year.

The above facilities are secured by pledge of PT IMAS's shares.

On 18 February 2014, the Company entered into a syndicated term loans agreement comprising of US$246,000,000 (Tranche A) and $207,919,200 (Tranche B). The loans are arranged by CIMB Bank Berhad (Singapore Branch), DBS Bank Ltd., Deutsche Bank AG (Singapore Branch), The Royal Bank of Scotland PLC and Standard Chartered Bank. CIMB Bank Berhad (Singapore Branch) is the facility agent and onshore security agent while PT Bank CIMB Niaga Tbk is the offshore security agent. The loan proceeds were used to refinance the above term loan facility of US$125 million and bridging loan of US$283.3 million from CIMB Bank, Singapore Branch above. The facilities consist of the following:–

(1) The US$246 million term loan facilities bear interest at LIBOR plus 3.75% per annum and have tenure of 2.8 years.

(2) The $207.9 million term loan facility bear interest at SOR plus 3.75% per annum and have tenure of 2.8 years.

Subsequently, the US$246,000,000 (Tranche A) and $207,919,200 (Tranche B) had been reduced to US$98,400,000 and $84,686,921 from the proceeds of the bond issued by the Company in March and April 2014 (Note 18).

17 Borrowings (Cont'd)

(b) The Company and its subsidiaries (exclude PT IMAS and its subsidiaries)

The bank borrowings are secured by the Company's and its subsidiaries' assets as follows:–

(1) Pledge of PT IMAS shares

(2) Pledge of land title over Batamindo Industrial Park;

(3) Pledge of shares and accounts of PT Batamindo Investment Cakrawala ("PT BIC")

(4) Assignment of insurance proceeds, receivables and equipment of PT BIC.

(5) First priority legal mortgage and collateral deed of covenant in relation to the vessels;

(6) Debenture (fixed and floating) over all present and future assets of Company;

(7) First and second priority all monies legal mortgage and collateral deed of covenant over the vessels;

(8) Second priority all monies debenture (fixed and floating) over all present and future assets of the Company and;

(9) First and second priority all monies assignment if insurances over the vessels.

Certain covenants, among others, need to be maintained and complied with including:–

(1) Ratio of Borrower Debt to Borrower Equity will not be more than 1.

(2) Ratio of Borrower Net Debt to Borrower EBITDA will not be more than 3.5.

(3) Borrower Equity will not be less than IDR 2.69 trillion.

(4) Borrower Debt Service Coverage Ratio will not be less than 1.

(5) Ratio of Guarantor Debt to Guarantor Equity will not be more than 0.5.

(6) Ratio of Guarantor Net Debt to Guarantor EBITDA will not be more than 4.

17 Borrowings (Cont'd)

(c) PT IMAS and its subsidiaries

The bank borrowings are secured by the subsidiaries' assets as follows:–

(1) Consumer financing receivables (Note 8)

(2) Net investment in finance leases (Note 8)

(3) Marketable equities of available-for-sales assets

(4) Other inventories (Note 12)

Certain covenants, among others, need to be maintained and complied with including:–

(1) Gearing ratio will not be more than 8.5 and 10

(2) Maintain management control

(3) Maintain shareholding of minimum 51% in a subsidiary

(iv) Obligation under finance lease and consumer financing

The Group	2014 $'000	2013 $'000
Minimum lease payments payable:		
Within 1 year	**5,742**	3,911
Between 2 to 5 years	**6,246**	873
More than 5 years	**–**	7
	11,988	4,791
Less:		
Finance charges allocated to future periods	**(1,386)**	(30)
Present value of minimum lease payments	**10,602**	4,761
Present value of minimum lease payments:		
Within 1 year	**5,733**	3,915
Between 2 to 5 years	**4,869**	839
More than 5 years	**–**	7
	10,602	4,761

17 Borrowings (Cont'd)

(iv) Obligation under finance lease and consumer financing (Cont'd)

The Group leases motor vehicles and transportation equipment from non-related and related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal value at the end of the lease term. The finance lease and consumer financing are secured by the underlying assets (Note 4).

The borrowings of the Company and the Group exposed to interest rates are as follows:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
		Restated		
Current portion:				
– at floating interest rate	**–**	–	**649,228**	624,272
– at fixed interest rate	**137,503**	134,867	**162,576**	175,472
	137,503	134,867	**811,804**	799,744
Non-current portion:				
– at floating interest rate	**209,925**	494,888	**463,330**	673,518
– at fixed interest rate	**–**	–	**237,202**	250,265
	209,925	494,888	**700,532**	923,783

The borrowings are denominated in the following currencies:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
		Restated		
Singapore dollar	**127,210**	43,820	**100,195**	17,585
United States dollar	**127,180**	494,888	**604,121**	909,296
Indonesian rupiah	**93,038**	91,047	**807,747**	796,646
Euro dollar	**–**	–	**273**	–
	347,428	629,755	**1,512,336**	1,723,527

17 Borrowings (Cont'd)

The borrowing repayment profile is as follows:–

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
		Restated		
Repayable:				
Within 1 year	**137,503**	134,867	**811,804**	799,744
Between 2 to 5 years	**209,925**	494,888	**700,532**	912,892
More than 5 years	**–**	–	**–**	10,891
	347,428	629,755	**1,512,336**	1,723,527

The effective interest rates of the total borrowings at the end of reporting period are as follows:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
Short term loans	**–**	–	**1.75% to 10.95%**	1.67% to 10.75%
Bank loans	**3.81% to 3.03%**	3.42% to 4.77%	**2.60% to 14.60%**	2.35% to 13.06%
Finance leases	**–**	–	**4.58% to 18.00%**	4.58% to 13.06%
Loan from subsidiaries	**1.70% to 5.75%**	1.70% to 5.75%	**–**	–

18 Debt securities

Debt securities comprise of fixed rate notes and bonds issued by the Company and subsidiaries in the Group.

	2014	2013
The Company	**$'000**	**$'000**
Bonds		
– Current	**–**	–
– Non-current	**414,274**	87,201
Net	**414,274**	87,201

18 Debt securities (Cont'd)

The Company	**2014 $'000**	**2013 $'000**
Secured	**–**	–
Unsecured	**414,274**	87,201
	414,274	87,201
Repayable:		
Within 1 year	**–**	–
Between 2 and 5 years	**414,274**	87,201
More than 5 years	**–**	–
	414,274	87,201

(i) On 2 May 2013, the Company issued $104,703,000 unsecured 1% per annum fixed rate non-convertible bonds which are due on 2 May 2018 to PT Cipta Sarana Duta Perkasa ("PT CSDP") to finance the acquisition of PT IMAS. These bonds are stated at amortised cost using the effective interest rate method. The carrying amount of the bond as at 31 December 2014 is $91,986,000 (2013 – $87,201,000). The effective interest rate of the bond is 5.5% (2013 – 5.5%).

(ii) On 21 April 2014 and 12 May 2014, the Company issued $175 million 5.95% unsecured notes due 2016 and $150 million 5.90% unsecured notes due 2017 under the US$500 million Euro Medium Term Note Programme established by the Company. The notes will mature from 21 April 2016 to 11 May 2017 and are listed in Singapore Exchange Securities Trading Limited ("SGX-ST"). These were used for partial repayment of the syndicated term loans (Note 17(iii) (a)).

The Group	**2014 $'000**	**2013 $'000**
Notes and Bonds		
– Current	**141,900**	58,162
– Non-current	**586,540**	346,436
Nominal value	**728,440**	404,598
Less: deferred issuance costs	**(535)**	(847)
Net	**727,905**	403,751

18 Debt securities (Cont'd)

The Group	2014 $'000	2013 $'000
Secured	**313,631**	316,550
Unsecured	**414,274**	87,201
	727,905	403,751
Repayable:		
Within 1 year	**141,594**	57,857
Between 2 and 5 years	**586,311**	345,894
More than 5 years	**–**	–
	727,905	403,751

(1) The effective interest rate of the debt securities ranged from 5.5% to 11.4% (2013 – 5.5% to 11%).

(2) The maturity of the debt security ranged from 9 June 2015 to 2 May 2018.

(3) The bonds were collateralised by fiduciary transfer of financing receivables (Note 8), other inventories (Note 12) and trade receivables (Note 13) of PT IMAS's subsidiaries amounting to 50% to 60% of the total principal amount of the bonds.

The debt securities are denominated in the following currencies:

	The Company		The Group	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Singapore dollar	**414,274**	87,201	**414,274**	87,201
Indonesian rupiah	**–**	–	**313,631**	316,550
	414,274	87,201	**727,905**	403,751

19 Employee benefits liabilities

The Group	2014 $'000	2013 $'000
Balance at beginning of year	**21,647**	11,896
Acquisition of subsidiaries	**–**	12,698
Net employee benefits expense (Note 28)	**4,674**	3,509
Actual benefit payments	**(936)**	(669)
Foreign exchange difference	**129**	(4,508)
Income/(expenses) recognised in OCI	**158**	(1,279)
Balance at end of year	**25,672**	21,647

19 Employee benefits liabilities (Cont'd)

On 20 June 2000, under Indonesian Law, the Minister of Manpower of the Republic of Indonesia issued Decree No. Kep-150/Men/2000 regarding "The Settlement of Work Dismissal and Determination of Separation, Gratuity and Compensation Payment by Companies". Should there be any work dismissal, a company is obliged to settle any separation, gratuity and compensation payment, based on the duration of work of the respective employees and in accordance with the conditions stated in the Decree.

The Decree has been enacted into Law No.13 of 2003 regarding Manpower by the President of the Republic of Indonesia on 25 March 2003.

The Group recognised a provision for employees' service entitlement in accordance with the above Law. The benefits are unfunded. The provision is estimated using the "Projected Unit Credit Method" based on the actual calculation performed by independent actuaries, PT Dayamandiri Dharmakonsilindo, PT Jasa Aktuaria Pensiun dan Asuransi, PT Sentra Jasa Aktuaria, PT Bumi Dharma Akuaria and PT Dian Artha Tama which considered the following assumptions:

Discount rate	:	8.02% to 8.64% (2013 – 7.1% to 9.15%) per annum
Mortality rate	:	Tabel Mortalita Indonesia (TMI-III) – 2011 (2013 – USA Table of Mortality, Commissioners Standard Ordinary 1980)
Annual salary increases	:	7% to 12.5% (2013 – 8% to 12.5%) per annum
Retirement age	:	55 to 60 years
Turnover rates	:	5% up to age 25 and reducing linearly up to 0% at the age of 45 and thereafter
Disability rate	:	10% of mortality rate

The net employee benefits expense comprises the following:

The Group	**2014** **$'000**	**2013** **$'000**
Current service cost	**3,890**	2,641
Interest expense	**784**	612
Immediate adjustment of termination plan	**–**	256
	4,674	3,509

The Group	**2014** **$'000**	**2013** **$'000**
Employee benefits liabilities:		
Present value of employee benefits liabilities	**25,672**	21,647
	25,672	21,647

20 Other non-current liabilities

		The Company		The Group	
		2014	**2013**	**2014**	**2013**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
					Restated
Deposits from tenants	(i)	**90**	90	**23,463**	23,531
Refundable golf membership deposit	(ii)	**–**	–	**4,201**	4,288
Unearned revenue	(iii)	**–**	–	**1,186**	875
Derivative liabilities	23	**2,683**	–	**45,067**	51,546
Amount due to related party – non trade		**–**	–	**6,617**	6,343
		2,773	90	**80,534**	86,583

(i) Deposits from tenants represent advance payments received from tenants equivalent to certain months' factory and dormitory rentals, hawkers' centres, and deposits for electricity supply, in accordance with the provisions of their respective lease agreements. These deposits will be refunded or applied against rentals due at the end of the lease period.

(ii) Refundable deposits received for golf club membership, which consist of Individual Type, Corporate A and B type, will be due on 1 August 2020.

(iii) Unearned revenue relates to the prepayment from the tenants on the lease of land and building.

The other non-current liabilities are denominated in the following currencies:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
				Restated
Singapore dollar	**2,773**	90	**30,343**	27,819
Indonesian rupiah	**–**	–	**43,574**	52,421
United States dollar	**–**	–	**6,617**	6,343
	2,773	90	**80,534**	86,583

21 Trade and other payables

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Trade				
Trade payables	**–**	–	**202,872**	200,735
Non-trade				
Accruals	**943**	832	**56,574**	39,915
Other payable	**855**	2,001	**80,484**	58,643
Interest payable on bank loan	**3,237**	3,242	**5,950**	7,396
Advances from customers and distributors	**–**	–	**23,999**	16,648
Amount owing to related parties	**–**	–	**6,510**	5,150
Amount owing to subsidiaries	**14,002**	9,276	**–**	–
Other current liabilities	**–**	–	**10,073**	13,438
	19,037	15,351	**386,462**	341,925

Trade payables are generally on 30 days (2013 – 30 days) credit terms.

Amounts owing to subsidiaries and related parties represent advances and are non-trade, unsecured, interest-free and repayable on demand.

The related parties are corporate entities who are subject to common control or common significant influence by a shareholder of the Company, including fellow subsidiaries.

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Singapore dollar	**9,001**	4,320	**40,379**	34,064
Indonesian rupiah	**9,629**	4,712	**294,357**	249,188
United States dollar	**407**	6,319	**36,388**	33,179
Euro	**–**	–	**15,183**	21,873
Swedish Kronor	**–**	–	**42**	3,054
Others	**–**	–	**113**	567
	19,037	15,351	**386,462**	341,925

22 Foreclosed assets

Foreclosed assets represent acquired assets in conjunction with settlement of consumer financing receivables. In case of default, the consumers give the right to the Group to sell the foreclosed assets or take any other actions to settle the outstanding receivables.

The Group determined that the foreclosed assets will be converted into cash within maximum three months.

The Group	Note	2014 $'000	2013 $'000
Foreclosed assets		**8,234**	5,637
Less allowance for impairment loss		**(3,030)**	(1,744)
	13	**5,204**	3,893

The movement in allowance for impairment losses in value of foreclosed assets is as follows:-

The Group	2014 $'000	2013 $'000
Balance at beginning of the year	**1,744**	–
Allowance as at date of acquisition	**–**	1,639
Allowance for impairment loss	**1,256**	463
Translation differences	**30**	(358)
Balance at the end of the year	**3,030**	1,744

23 Derivative financial instruments

The fair value of the Group's derivative financial instruments was:–

The Company	Note	2014 Assets $'000	2014 Liabilities $'000	2013 Assets $'000	2013 Liabilities $'000
Non-current					
Not designated as hedging instruments					
Interest rate swaps (v)	20	**–**	**2,683**	–	–

23 Derivative financial instruments (Cont'd)

The Group	Note	2014 Assets $'000	2014 Liabilities $'000	2013 Assets $'000 Restated	2013 Liabilities $'000 Restated
Non-current					
Designated as cash flow hedges					
– Interest rate swaps (i)		**78**	**33**	35	109
– Cross currency swaps (ii)		**11,522**	**150**	12,015	–
– Cross currency interest rate swap (iii)		**5,430**	**–**	5,677	–
		17,030	**183**	17,727	109
Not designated as hedging instruments					
– Cross currency interest rate swap (iv)		**–**	**42,201**	–	51,437
– Interest rate swaps (v)		**–**	**2,683**	–	–
	10, 20	**17,030**	**45,067**	17,727	51,546

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

(i) Interest rate swap

The notional amounts of the interest rate swaps at 31 December 2014 were US$63,707,000 (2013 – US$38,000,000) for derivative assets and US$58,207,000 (2013 – US$68,579,000) for derivative liabilities.

(ii) Cross currency swap

The notional amounts of the cross currency swaps at 31 December 2014 were US$104,165,000 (2013 – US$37,500,000) for derivative assets and US$10,500,000 (2013 – US$Nil) for derivative liabilities.

(iii) Cross currency interest rate swap

The notional amount of the cross currency interest rate swap at 31 December 2014 were US$22,000,000 (2013 – US$22,000,000).

23 Derivative financial instruments (Cont'd)

(iv) Cross currency interest rate swap (Cont'd)

On 21 March 2012, the Group entered into a Cross Currency Interest Rate Swap ("CCIRS") contract with a financial institution to manage its exposure to the fluctuation of foreign currency and floating interest rate on a bank loan. Based on the contract, the financial institution pays the Group a series of instalments on loan principal with a total notional amount of $172,044,000, which bears interest at a rate of 6.15% + 3 months JIBOR starting from 14 May 2012 until 14 February 2018, while the Group pays the financial institution a series of instalments on loan principal with a total notional amount of $181,948,000 (US$148,675,000), which bears interest at a rate of 7% + 3 months LIBOR starting from 14 May 2012 until 14 February 2018.

As of 31 December 2014, the fair value of the CCIRS is recorded as a derivative liability amounting to $42,201,000 (2013 – $51,437,000) (Note 20) and the Group's loss on the valuation of fair value of the CCIRS is recorded as part of "other income" (Note 25) in the consolidated statement of comprehensive income.

(v) Interest rate swap

On 27 August 2014, the Company entered into Interest Rate Swap ("IRS") contracts with a financial institution to swap the fixed interest rate to floating interest rate on the notes issued during the year (Note 18). The terms of the contracts were as follows:–

(a) Based on notional amount of $175,000,000, the Company pays the financial institution at interest rate of 5.25% + 6 months SOR while the financial institution pays the Company at fixed interest rate of 5.95%.

(b) Based on notional amount of $150,000,000, the Company pays the financial institution at interest rate of 4.85% + 6 months SOR while the financial institution pays the Company at fixed interest rate of 5.90%.

As of 31 December 2014, the fair value of the swaps were recorded as a derivative liability amounting to $2,683,000 (2013 – $Nil) (Note 20) and the Group's loss on valuation of fair value of the swap was recorded as part of "other income" (Note 25) in the consolidated statement of comprehensive income.

Period when the cash flows on cash flow hedges are expected to occur or affect the profit or loss

Interest rate swaps

Interest rate swaps are transacted to hedge variable quarterly interest payments on borrowings that will mature on 31 December 2015. Fair value gains and losses on the interest rate swaps recognised in other comprehensive income are reclassified to profit or loss as part of interest expense over the period of the borrowings.

23 Derivative financial instruments (Cont'd)

Period when the cash flows on cash flow hedges are expected to occur or affect the profit or loss (Cont'd)

Cross currency swaps

Cross currency swaps are transacted to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within three months from the end of the reporting period. The cross currency swaps have maturity dates that coincide within the expected occurrence of these transactions. Gains and losses recognised in other comprehensive income prior to the occurrence of these hedged forecast transactions affect profit or loss. This is generally within three months from the end of the reporting period. For those cross currency swaps used to hedge highly probable forecast foreign currency purchases of property, plant and equipment, fair value gains and losses are included in the cost of the assets and recognised in profit or loss over their estimated useful lives as part of depreciation expense.

24 Revenue

The Group	**2014 $'000**	**2013 $'000**
Sales of goods	**1,882,030**	1,501,129
Rendering of services	**4,691**	4,864
Financials services	**106,459**	66,504
Electricity and water supply	**103,971**	106,303
Rental and related income	**108,631**	88,583
Sales of land and factory	**90,337**	57,954
Golf revenue	**5,022**	3,287
Ferry services	**18,359**	17,659
Telecommunication	**1,836**	1,813
Clinic operation	**1,453**	1,158
Others	**5,539**	5,494
	2,328,328	1,854,748

25 Other income

The Group	**2014 $'000**	**2013 $'000 Restated**
Exchange gain/(loss), net	**3,055**	(3,719)
Gain on disposal of property, plant and equipment	**33,172**	26,266
Interest income	**10,064**	7,680
Other telecommunication income	**793**	1,291
Bank charges	**(25)**	(7,535)
Bad debt recovered	**7,832**	5,188
Commission income	**1,545**	872
Penalty income	**4,817**	3,677
Sales incentive and dealer development	**11,416**	9,878
Scrap income	**504**	498
Subsidy income (for sales or promotion)	**11,691**	5,244
Gain/(loss) on derivative financial instrument (Note 23(iv) &(v))	**10,949**	(39,318)
Others	**17,989**	4,537
	113,802	14,559

26 Other operating expenses

The Group	2014 $'000	2013 $'000
Communication	**1,951**	1,485
Depreciation and amortisation	**12,483**	8,353
Entertainment	**493**	549
Insurance	**1,831**	1,373
Management fee	**1,018**	1,271
Marketing and promotion expenses	**26,890**	18,244
Professional fees	**1,259**	1,101
Rental	**5,955**	1,155
Repairs and maintenance	**3,385**	2,882
Representation costs	**1,231**	1,596
Staff costs and related expenses	**43,836**	27,536
Taxes and licences	**3,404**	2,565
Transport and travelling	**6,512**	4,905
Printing and stationeries	**167**	187
Packing and delivery	**15,433**	10,263
Security expenses	**4,141**	3,596
Sales commission and incentive	**11,336**	11,418
Allowance for impairment losses and loss on sales of foreclosed assets	**10,218**	3,943
Utilities	**3,154**	2,341
Office supplies	**2,576**	1,784
Others	**6,977**	7,427
	164,250	113,974

27 Finance costs

The Group	2014 $'000	2013 $'000 Restated
Interest expense on:		
– Bank loans and short term loans	**113,017**	71,637
– Finance lease	**21**	27
– Debt securities	**18,342**	3,077
– Other loans	**245**	467
	131,625	75,208

28 Profit before taxation

The Group	Note	2014 $'000	2013 $'000 Restated
Profit before taxation has been arrived at after charging/(crediting):			
Audit fee paid to:			
– auditor of the Company		**252**	352
– other auditors		**710**	522
Non-audit fees paid to:			
– auditor of the Company		**32**	24
– other auditors		**83**	28
Costs of inventories recognised as expenses		**1,629,994**	1,327,845
Allowance for inventories obsolescence	12	**113**	–
Reversal of allowance for inventories obsolescence		**(102)**	(174)
Allowance for impairment of financing receivables	8	**17,702**	20,472
Allowance for impairment of foreclosed assets	22	**1,256**	463
Amortisation of intangible assets	3	**16,404**	10,876
Depreciation of property, plant and equipment	4	**83,893**	60,902
Depreciation of investment properties	5	**22,557**	22,490
Directors' fees		**355**	281
Directors' remuneration			
– Directors' salaries and related costs		**2,972**	1,830
– CPF contributions		**37**	29
		3,009	1,859
Foreign exchange (gain)/loss, net		**(3,055)**	3,719
Net allowance/(reversal) for impairment of trade and other receivables		**1,968**	(2,014)
Operating lease rentals			
– office equipment and office premises		**1,527**	1,663
Provision for employees' benefits	19	**4,674**	3,509
Rental income (included in revenue)			
– investment properties	5	**(26,587)**	(27,621)
Operating expenses arising from investment properties that generated rental income	5	**23,714**	23,573
Staff costs (other than Directors)			
– salaries and related costs		**114,324**	88,238
– CPF contributions		**609**	362
		114,933	88,600

29 Taxation

The Group	**Note**	**2014 $'000**	**2013 $'000 Restated**
Current taxation			
Indonesia tax		28,107	25,234
Singapore tax		460	814
		28,567	26,048
Deferred taxation			
Indonesia tax		(5,071)	(8,716)
Singapore tax		(4,870)	(7,051)
	9	(9,941)	(15,767)
		18,626	10,281

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the Group's profit/(loss) as a result of the following:

The Group	**2014 $'000**	**2013 $'000 Restated**
Profit/(loss) before taxation	**12,390**	(27,760)
Tax at applicable statutory tax rates	**533**	3,433
Difference of tax effects on gross income subject to final tax instead of corporate tax	**7,868**	7,001
Tax effects on non-taxable income	**(10,161)**	(13,203)
Tax effects on non-deductible expenses	**5,197**	11,284
Deferred tax on temporary differences not recognised in prior years	**15,189**	1,766
	18,626	10,281

30 Other comprehensive income/(expense) after taxation

The Group	Before tax $'000	Tax expense $'000	Net of tax $'000
31 December 2014			
Disclosure of tax effects relating to each component of other comprehensive income/(expense):			
Available-for-sale investments	**5,558**	**–**	**5,558**
Derivative instruments	**(2,377)**	**–**	**(2,377)**
Currency translation differences	**25,839**	**–**	**25,839**
Actuarial losses arising during the period	**(209)**	**51**	**(158)**
	28,811	**51**	**28,862**
31 December 2013, as restated			
Available-for-sale investments	(7,191)	–	(7,191)
Derivative instruments	7,454	–	7,454
Currency translation differences	(97,141)	–	(97,141)
Share of other comprehensive income of associates	3	–	3
Actuarial gains arising during the period	1,651	(372)	1,279
	(95,224)	(372)	(95,596)

31 Loss per share

The Group

The basic earnings per share is calculated based on the consolidated profits attributable to owners of the parent divided by the weighted average number of shares in issue of 4,824,965,112 (2013 – 4,020,804,260) shares during the financial year.

Fully diluted earnings per share were calculated on the consolidated profits attributable to owners of the parent divided by 5,074,965,112 (2013 – 4,187,470,927) ordinary shares. The number of ordinary shares is calculated based on the weighted average number of shares in issue during the financial year adjusted for the effects of the dilutive issuable shares from the convertible bond. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the year or if later, the date of the issue of the potential ordinary shares.

31 Loss per share (Cont'd)

The following tables reflect the profit or loss and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

The Group	**2014**	**2013**
Basic loss per share (in cents)	**(0.064)**	(1.358)
Diluted loss per share (in cents)	**(0.064)**	(1.358)

The calculation of loss per share attributable to ordinary equity holders of the Company is based on the following:

The Group	**2014 $'000**	**2013 $'000**
Loss attributable to shareholders	**(3,065)**	(54,609)

Number of shares used for the calculation of loss per share is as follows:

The Group	**No. (in thousands)**	**No. (in thousands)**
Weighted average number of ordinary shares for purposes basic earnings per share	**4,824,965**	4,020,804
Effects of dilution:		
Assumed conversion of convertible bond	**250,000**	166,667
Weighted average number of ordinary shares for diluted earnings per shares ('000)	**5,074,965**	4,187,471

250,000,000 shares (2013: 166,667,000 shares) granted under the conversion right of the convertible bonds have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

32 Commitments

a. Capital Commitments

Capital expenditure contracted for at the end of the reporting date, but not recognised in the financial statements is as follows:

The Group	**2014 $'000**	**2013 $'000**
Capital expenditure contracted but not provided for	**130**	1,839

32 Commitments (Cont'd)

b. Operating lease commitments

Where the company is the lessee

At the end of the reporting period, the Company was committed to making the following lease rental payments under non-cancellable operating leases for office premises and office equipment with a term of:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Lease rentals payable:				
Not later than one year	**756**	756	**1,610**	1,532
Later than one year and not later than five years	**513**	1,269	**1,651**	2,478
Later than five years	**–**	–	**238**	–

The leases on the Company's rental on which rental is payable will expire on 30 August 2016, and the current rental payable on the lease is $62,543 per month which are subject to revision on renewal of lease agreement.

The leases for the office equipment on which rental is payable will expire on 31 January 2018, and the current rental payable on the lease is $439 per month which are subject to revision on renewal of lease agreement.

The leases on the Group's office premises, office equipment, warehouse rental on which rental is payable will expire between 17 May 2016 and not later than 15 January 2024, and the current rental payable on the lease are between $300 to $62,543 per month which are subject to revision on renewal of lease agreement.

Where the company is the lessor

The future minimum lease payments receivables under non-cancellable operating leases from sites with a term of more than one year are as follows:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Lease rentals receivable:				
Not later than one year	**361**	361	**18,765**	20,407
Later than one year and not later than five years	**241**	602	**20,251**	23,602
Later than five years	**–**	–	**148**	1,408

32 Commitments (Cont'd)

b. Operating lease commitments (Cont'd)

Where the company is the lessor (Cont'd)

The leases on the Company's premises on which rentals are received will expire on 30 August 2016. The current rent receivable on the lease ranges from $1,976 to $14,379 per month which are subject to revision on renewal of lease agreement.

The leases on the Group's premises on which rentals are received will expire between 19 January 2015 and not later than 31 December 2020. The current rent receivable on the lease ranges from $1,976 to $265,939 per month which are subject to revision on renewal of lease agreement.

33 Related parties transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, there were significant related party transactions which were carried out in the normal course of business on terms agreed between the parties as follows:

The Group	2014 $'000	2013 $'000
(a) With associates		
Sales of goods and services	**(829)**	(797)
Interest income	**(579)**	(613)
(b) With related companies and associates of ultimate holding company		
Management fees paid	**531**	552
Human resource management fee	**706**	468
Interest income	**(2,701)**	(2,498)
Purchase of goods and services	**3,842**	7,297
Sales of goods and services	**(52,011)**	(38,344)
(c) Remuneration of directors of the company and key management personnel of the Group		
Salaries and other short-term employee benefits	**3,009**	2,365

34 Operating Segment

For management purposes, the Group is organised into the following reportable operating segments as follows:–

(i) Industrial parks segment

Industrial parks segment is engaged in activities consisting of the development, construction, operation and maintenance of industrial properties in Batam Island and Bintan Island together with the supporting infrastructure activities.

(ii) Utilities segment

Utilities segment is engaged in the activities of provision of electricity and water supply, telecommunication services and waste management and sewage treatment services to the industrial parks in Batam Island and Bintan Island as well as resorts in Bintan Island.

(iii) Resort operations segment

The resort operations segment is engaged in the activities of provision of services to resort operators in Bintan Resort including ferry terminal operations, workers accommodation, security, fire-fighting services and facilities required by resort operators.

(iv) Property development segment

Property development segment is engaged in the activities of developing industrial and resort properties in Batam Island and Bintan Island.

(v) Automotive segment (including workshops)

PT IMAS is considered as one operating segment and is organised into automotive segment because the decisions for resource allocation and performance assessment are made directly by the board of PT IMAS, taking into account the opinion of the Company's Board. The automotive segment is engaged in activities of vehicle sales distribution, after sales services, vehicle ownership financing, spare part distribution, vehicle assembly, automotive parts manufacturing and other related supporting services

Set out below is an analysis of the segment information:

34 Segment information (Cont'd)

The Group	Industrial Parks		Utilities		Resort Operations		Property Development		Automotive		Corporate		Elimination		Total	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000 Restated
Business segments																
Operating revenue																
External sales	**39,624**	40,537	**105,807**	108,116	**21,225**	20,790	**87,672**	55,540	**2,074,000**	1,629,765	**–**	–	**–**	–	**2,328,328**	1,854,748
Inter segment sales	**–**	–	**–**	–	**58**	52	**–**	99	**–**	–	**–**	–	**(58)**	(151)	**–**	–
Total sales	**39,624**	40,537	**105,807**	108,116	**21,283**	20,842	**87,672**	55,639	**2,074,000**	1,629,765	**–**	–	**(58)**	(151)	**2,328,328**	1,854,748
Segment results																
(Loss)/profit from operations	**(7,357)**	(3,856)	**18,454**	17,785	**(5,255)**	(8,444)	**67,977**	40,325	**93,479**	60,819	**11,644**	(64,534)	**–**	–	**178,942**	42,095
Share of associates' results															**(34,927)**	5,353
Finance costs															**(131,625)**	(75,208)
Profit/(loss) before taxation															**12,390**	(27,760)
Taxation															**(18,626)**	(10,281)
Profit/(loss) after taxation															**(6,236)**	(38,041)
Attributable to:																
Equity holders of the Company															**(3,065)**	(54,609)
Non-controlling interests															**(3,171)**	16,568
															(6,236)	(38,041)
Assets																
Segment assets	**202,313**	178,165	**69,449**	141,739	**39,643**	48,908	**709,373**	645,681	**1,780,203**	1,625,156	**1,457,417**	1,450,861	**–**	–	**4,258,398**	4,090,510
Associates															**470,298**	486,980
Unallocated corporate assets															**128,045**	91,661
Total assets															**4,856,741**	4,669,151
Liabilities																
Segment liabilities	**21,399**	40,630	**37,278**	62,612	**6,456**	6,644	**18,724**	1,079	**1,868,549**	1,720,423	**36,175**	45,522	**–**	–	**1,988,581**	1,876,910
Unallocated corporate liabilities															**858,744**	817,076
Total liabilities															**2,847,325**	2,693,986

34 Segment information (Cont'd)

The Group	Industrial Parks		Utilities		Resort Operations		Property Development		Automotive		Corporate		Elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000 Restated
Business segments																
Other information																
Capital expenditure	**1,825**	3,796	**376**	376	**6,237**	4,111	**184**	205	**171,816**	92,084	**50**	26	**–**	–	**180,488**	100,598
Software costs	**69**	28	**–**	–	**–**	–	**–**	–	**–**	–	**12**	386	**–**	–	**81**	414
Dealerships and distributionships	**–**	–	**–**	–	**–**	–	**–**	–	**–**	324,546	**–**	–	**–**	–	**–**	324,546
Allowance for inventories obsolescence	**31**	–	**–**	–	**–**	–	**–**	–	**82**	–	**–**	–	**–**	–	**113**	–
Amortisation of intangible assets	**21**	22	**–**	–	**7**	7	**18**	23	**16,227**	10,818	**131**	6	**–**	–	**16,404**	10,876
Depreciation of property, plant and equipment	**5,059**	5,390	**15,761**	16,035	**8,469**	8,977	**254**	260	**53,938**	30,167	**412**	73	**–**	–	**83,893**	60,902
Depreciation of investment properties	**22,557**	22,490	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**22,557**	22,490
Other information																
Gain/(loss) on disposal of property, plant and equipment	**4**	44	**15**	–	**1,576**	(7)	**7**	(9)	**31,570**	26,238	**–**	–	**–**	–	**33,172**	26,266
Impairment of trade and other receivables	**584**	276	**–**	–	**65**	–	**–**	–	**1,725**	–	**–**	–	**–**	–	**2,374**	276

34 Operating Segment (Cont'd)

The Group

Geographical segments

The Group operates mainly in Indonesia. Accordingly, analysis by geographical segments is not presented.

Segment revenue and segment expense

All segment revenue and expense are directly attributable to the segments.

Segment assets and liabilities

Segment assets include all operating assets and consist principally of trade and other receivables, land inventories, other inventories, financing receivables, investment properties and property, plant and equipment, net of allowances and provisions. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated on a reasonable basis.

Segment liabilities include all operating liabilities and consist principally of operating payables.

Segment assets and liabilities do not include cash and cash equivalents, notes receivables, deferred tax assets, deferred tax liabilities, current tax payable, loans and borrowings.

The Group does not have any major customers.

35 Financial risk management objectives and policies

The Company and the Group have financial risk management policies setting out the Company's and the Group's overall business strategies and its risk management philosophy. The Company and the Group are exposed to financial risks arising from its diversified operations and the use of financial instruments. The financial risks included market price risk, foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets on the Company's and the Group's financial performance. The Company and the Group use financial instruments, principally interest rate swaps and cross-currency swaps to hedge certain risk exposures.

The Company co-ordinates, under the directions of the directors, financial risk management policies and their implementation on a group-wide basis. The Group's policies are designed to manage the financial impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. It is the Group's policy not to enter into derivative transactions for speculative purposes. The notional amounts and fair values of derivative financial instruments at 31 December 2014 are disclosed in Note 23.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

a. Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

35 Financial risk management objectives and policies (Cont'd)

a. Market risk (Cont'd)

(i) Interest rate risk

Interest rate risk is the risk arising from the changes in market interest rates which leads to the fluctuation of the fair value or future cash flows of the financial instruments.

The Group is financed through interest-bearing bank loans, other borrowings such as shareholders' loans, and advances from related parties and debt securities. Therefore, the Group's exposures to market risk for changes in interest rates relate primarily to its long-term borrowings obligations and interest-bearing assets and liabilities. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure by managing its interest cost using a mixture of fixed and variable rate debts and long and short-term borrowings. The Group actively reviews its debt portfolio and evaluates the interest rates are in line with the changes in interest rate which is relevant in the money market. The Group also uses hedging instruments such as interest rate swaps to minimise its exposure to interest rate volatility. The Group designates these interest rate swaps and cross currency interest rate swap as cash flow hedges (Note 23).

Sensitivity analysis for interest rate risk

At the end of reporting period, if Singapore dollar, United States dollar and Indonesian rupiah interest rates had been 50 (2013: 50) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been higher/lower by the amounts shown below, arising mainly as a result of lower/higher interest expense on floating rate borrowings.

	The Group Profit or loss	
	2014	**2013**
	$'000	**$'000**
		Restated
Singapore dollar		
– lower 50 basis points (2013 – 50 basis points)	**414**	88
– higher 50 basis points (2013 – 50 basis points)	**(414)**	(88)
United States dollar		
– lower 50 basis points (2013 – 50 basis points)	**2,272**	2,753
– higher 50 basis points (2013 – 50 basis points)	**(2,272)**	(2,753)
Indonesian rupiah		
– lower 50 basis points (2013 – 50 basis points)	**2,832**	3,490
– higher 50 basis points (2013 – 50 basis points)	**(2,832)**	(3,490)

35 Financial risk management objectives and policies (Cont'd)

a. Market risk (Cont'd)

(ii) Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising primarily from purchases, assets and liabilities which arise from daily operations that are denominated in a currency other than the respective functional currencies of group entities, primarily Singapore dollar (SGD) and Indonesian rupiah (IDR). The foreign currencies in which these transactions are denominated are mainly United States dollar (USD) and Euro (EURO).

The Company and the Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of reporting period, such foreign currency balances (mainly in IDR and USD) amount to $136,000 (2013 – $2,809,000) and $136,151,000 (2013 – $139,985,000) for the Company and the Group respectively.

The Group maintains a natural hedge, whenever possible by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue streams to be generated from its investments. The Group also enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in foreign currency and these swaps are designated as cash flow hedges (Note 23).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risk and which are held for long term investment purposes, the differences arising from such translation are recorded under the currency translation reserves. These translation differences are reviewed and monitored on a regular basis.

35 Financial risk management objectives and policies (Cont'd)

a. Market risk (Cont'd)

(ii) Foreign exchange risk (Cont'd)

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	2014		2013	
	Appreciation/ (depreciation) of foreign currency rate	Effect on profit before tax increase/ (decrease) $'000	Appreciation/ (depreciation) of foreign currency rate	Effect on profit before tax increase/ (decrease) $'000
Indonesian rupiah	**12.01%**	**(116,899)**	11.19%	(52,174)
Indonesian rupiah	**(12.01%)**	**116,899**	(11.19%)	52,174
United States dollar	**1.24%**	**(2,451)**	0.12%	(909)
United States dollar	**(1.24%)**	**2,451**	(0.12%)	909
Euro	**1.26%**	**(146)**	3.42%	(553)
Euro	**(1.26%)**	**146**	(3.42%)	553
Swedish krona	**3.87%**	**41**	3.91%	(40)
Swedish krona	**(3.87%)**	**(41)**	(3.91%)	40

The average and year end exchange rates for 2014 and 2013 are as follows:

	2014		2013	
	Year end	Average	Year end	Average
Indonesian rupiah	**Rp.9,422/$1**	**Rp.9,360/$1**	Rp.9,628/$1	Rp.8,385/$1
United States dollar	**US$0.76/$1**	**US$0.79/$1**	US$0.79/$1	US$0.80/$1

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

35 Financial risk management objectives and policies (Cont'd)

a. Market risk (Cont'd)

(iii) Price risk (Cont'd)

The Group is exposed to market price risks arising from its investment in equity investments quoted on the IDX in Indonesia classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes. The Group does not actively trade available-for-sale investments.

b. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company or the Group to incur a financial loss. For the subsidiaries engaging in consumer financing, a financial loss will arise when the debtor does not meet its contractual obligation.

The financial assets that potentially subject the Group to significant concentration of credit risk consist principally of cash and bank balances, trade and other receivables, financing receivables, loan and notes receivables. For trade receivables, the Company and the Group adopt the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Company's and the Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group has in place credit policies and procedures to ensure the ongoing credit evaluation and active account monitoring. Credit risk which is encountered by the Group comes from credits given to customers. To reduce this risk, there is a policy to ensure the product sales are to be made to customers who can be trusted and proven to have a good credit history and pass the credit verification. The Group monitors the receivable balance continuously to maximise installment billings and reduce the possibility of doubtful accounts.

The Group's exposures to credit risk arise from default of other parties, with maximum exposure equal to the carrying amount of these instruments. At the reporting date, there were no significant concentrations of credit risk other than the loan receivable, financing receivables, notes receivables and interest receivables as disclosed in Note 8 and Note 10.

The Company's and the Group's major classes of financial assets are bank deposits, trade and other receivables and financing receivables. Cash is held with financial institutions of good standing/established financial institutions/reputable financial institutions. Further details of credit risks on financing receivables and trade and other receivables are disclosed in Note 8 and Note 13 respectively.

35 Financial risk management objectives and policies (Cont'd)

c. Liquidity risk

Liquidity risk is the risk that the Company and the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or other financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group maintains a balance between continuity of accounts receivable collectability and flexibility through the use of borrowings, debt securities and stand-by credit facilities.

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

The Company	**Less than 1 year**	**Between 2 and 5 years**	**Over 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
As at 31 December 2014				
Non-derivative financial liabilities:				
Trade and other payables	**19,037**	**–**	**–**	**19,037**
Borrowings	**144,937**	**190,317**	**–**	**335,254**
Debt securities	**19,263**	**451,017**	**–**	**470,280**
Other non-current liabilities	**–**	**2,773**	**–**	**2,773**
	183,237	**644,107**	**–**	**827,344**
As at 31 December 2013				
Non-derivative financial liabilities:				
Trade and other payables	15,351	–	–	15,351
Borrowings	506,558	164,112	–	670,670
Debt securities	–	110,008	–	110,008
Other non-current liabilities	–	90	–	90
	521,909	274,210	–	796,119

35 Financial risk management objectives and policies (Cont'd)

c. Liquidity risk (Cont'd)

The Group	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2014				
Non-derivative financial liabilities:				
Trade and other payables	**362,463**	**–**	**–**	**362,463**
Borrowings	**884,806**	**804,903**	**–**	**1,689,709**
Debt securities	**176,600**	**641,179**	**–**	**817,779**
Other non-current liabilities	**–**	**34,281**	**–**	**34,281**
	1,423,869	**1,480,363**	**–**	**2,904,232**
As at 31 December 2013				
Non-derivative financial liabilities:				
Trade and other payables	325,277	–	–	325,277
Borrowings	1,233,761	648,400	11,445	1,893,606
Debt securities	85,581	401,607	–	487,188
Other non-current liabilities	–	34,162	–	34,162
	1,644,619	1,084,169	11,445	2,740,233

The Company and the Group ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

d. Project development risk

Construction delays can result in loss of revenue. The failure to complete construction of a project according to its planned specifications or schedule may result in liabilities, reduce project efficiency and lower returns. The Group manages this risk by closely monitoring the progress of all projects through all stages of construction.

36 Capital management

The Company's and Group's objectives when managing capital are:

(a) To safeguard the Company's and the Group's abilities to continue as a going concern;

(b) To support the Company's and the Group's stabilities and growth;

(c) To provide capital for the purpose of strengthening the Company's and the Group's risk management capabilities; and

(d) To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company and the Group currently do not adopt any formal dividend policy.

The Company and the Group monitor capital net debt ratio, which is net debt divided by total capital plus net debt. The Company and the Group include within net debt, total borrowings, less bank balances and short-term deposits. Capital represents total equity of the Group. The capital net debt ratio is monitored both inclusive and exclusive of the Group's financial services companies, which by their nature are generally more leveraged than the Group's other businesses. The Company and the Group do not have a defined gearing ratio benchmark or range.

The capital net debt ratios at 31 December 2014 and 2013 were as follows:

	The Company		**The Group**	
	2014	**2013**	**2014**	**2013**
Capital net debt ratio excluding financial service companies	**0.36**	0.34	0.38	0.38
Capital net debt ratio including financial service companies	**0.36**	0.34	0.49	0.48

There were no changes in the Company's and the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements except as disclosed in Note 17 and Note 18.

37 Financial instruments

Accounting classification of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are as follows:

2014	Note	Available-for-sales $'000	Fair value-hedging instrument $'000	Financial assets through profit or loss $'000	Loan and receivables $'000	Total $'000
The Company						
Financial assets						
Trade and other receivables	13	–	–	–	118,762	118,762
Cash and cash equivalents	14	–	–	–	525	525
Other non-current assets	10	–	–	–	10,159	10,159
		–	–	–	129,446	129,446

2014	Note	Available-for-sales $'000	Fair value-hedging instrument $'000	Financial assets through profit or loss $'000	Loan and receivables $'000	Total $'000
The Group						
Financial assets						
Trade and other receivables	13	–	–	–	491,970	491,970
Financing receivables	8	–	–	–	766,085	766,085
Cash and cash equivalents	14	–	–	–	161,292	161,292
Derivative assets	23	–	17,030	–	–	17,030
Other non-current assets	10	107,033	–	–	135,582	242,615
		107,033	17,030	–	1,564,929	1,678,992

37 Financial instruments (Cont'd)

Accounting classification of financial assets and financial liabilities (Cont'd)

2014	Note	Fair value-hedging instrument $'000	Financial liabilities through profit or loss $'000	Other financial liabilities within the scope of FRS 39 $'000	Total $'000
The Company					
Financial liabilities					
Trade and other payables	21	–	–	19,037	19,037
Borrowings	17	–	–	347,428	347,428
Debt securities	18	–	–	414,274	414,274
Derivative liabilities	23	–	2,683	–	2,683
Other non-current liabilities	20	–	–	90	90
		–	2,683	780,829	783,512
The Group					
Financial liabilities					
Trade and other payables	21	–	–	362,463	362,463
Borrowings	17	–	–	1,512,336	1,512,336
Debt securities	18	–	–	727,905	727,905
Derivative liabilities	23	183	44,884	–	45,067
Other non-current liabilities	20	–	–	34,281	34,281
		183	44,884	2,636,985	2,682,052

37 Financial instruments (Cont'd)

Accounting classification of financial assets and financial liabilities (Cont'd)

2013	Note	Available-for-sales $'000	Fair value-hedging instrument $'000	Financial assets through profit or loss $'000	Loan and receivables $'000	Total $'000
The Company						
Financial assets						
Trade and other receivables	13	–	–	–	120,203	120,203
Cash and cash equivalents	14	–	–	–	3,062	3,062
Other non-current assets	10	–	–	–	9,140	9,140
		–	–	–	132,405	132,405
The Group						
Financial assets						
Trade and other receivables	13	–	–	–	350,739	350,739
Financing receivables	8	–	–	–	652,736	652,736
Cash and cash equivalents	14	–	–	–	168,363	168,363
Derivative assets	23	–	17,727	–	–	17,727
Other non-current assets	10	99,163	–	–	133,487	232,650
		99,163	17,727	–	1,305,325	1,422,215

37 Financial instruments (Cont'd)

Accounting classification of financial assets and financial liabilities (Cont'd)

2013	Note	Fair value-hedging instrument $'000	Financial liabilities through profit or loss $'000	Other financial liabilities within the scope of FRS 39 $'000	Total $'000
The Company					
Financial liabilities					
Trade and other payables	21	–	–	15,351	15,351
Borrowings	17	–	–	629,755	629,755
Debt securities	18	–	–	87,201	87,201
Other non-current liabilities	20	–	–	90	90
		–	–	732,397	732,397
The Group					
Financial liabilities					
Trade and other payables	21	–	–	325,277	325,277
Borrowings	17	–	–	1,723,527	1,723,527
Debt securities	18	–	–	403,751	403,751
Derivative liabilities	23	109	51,437	–	51,546
Other non-current liabilities	20	–	–	34,162	34,162
		109	51,437	2,486,717	2,538,263

38 Fair value measurement

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

38 Fair value measurement (Cont'd)

Fair value measurement of financial instruments (Cont'd)

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2014 and 31 December 2013.

2014	**Note**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets					
The Group					
Quoted financial assets	10	**79,367**	**–**	**–**	**79,367**
Derivative assets	23	**–**	**17,030**	**–**	**17,030**
		79,367	**17,030**	**–**	**96,397**
Financial liabilities					
The Company					
Derivative liabilities	23	**–**	**2,683**	**–**	**2,683**
The Group					
Derivative liabilities	23	**–**	**45,067**	**–**	**45,067**

2013	**Note**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets					
The Group					
Quoted financial assets	10	72,120	–	–	72,120
Derivative assets	23	–	17,727	–	17,727
		72,120	17,727	–	89,847
Financial liabilities					
The Group					
Derivative liabilities	23	–	51,546	–	51,546

(i) Level 1 fair value measurements

The available-for-sale equity investment held by the Group is traded in active markets and is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets held by the Group is the current market price.

(ii) Level 2 fair value measurements

The Group's derivatives consist of interest rate swap contracts and cross currency interest rate swap contracts. These derivatives are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, foreign exchange spot and forwards rates, interest rate curves and forward rate curves.

38 Fair value measurement (Cont'd)

Fair value measurement of financial instruments (Cont'd)

(iii) Level 3 fair value measurements

The Company and the Group did not have any assets and liabilities under level 3 fair value measurements.

(iv) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The carrying amount of trade and other receivables (Note 13), current financing receivables (Note 8), cash and cash equivalents (Note 14), trade and other payable (Note 21), current borrowings (Note 17) and debt securities (Note 18) are reasonable approximation of fair values due to their short term nature.

The carrying amounts of other non-current assets (Note 10), non-current financing receivables (Note 8), other non-current liabilities (Note 20) and non-current borrowings (Note 17) and debt securities (Note 18) are reasonable approximation of fair values as their interest rate approximate the market lending rate.

39 Prior year adjustment and comparative figures

Prior year adjustment

The consolidated financial statements for 2013 have been restated to reflect the effects of the retrospective adjustment of the goodwill arising from the finalisation of the fair values of the assets and liabilities, relating to the acquisition of PT Indomobil Sukses Internasional Tbk ("PT IMAS") which was acquired during the financial year ended 31 December 2013. In accordance with FRS 103 Business Combinations, the adjustments for the finalisation of the provisional PPA which are to be made within twelve months from the date of acquisition have been made retrospectively.

With the completion of PPA exercise in accordance with FRS 103 Business Combinations, the provisional goodwill has been revised for the recognition of dealership, distributorship, inventory and associates.

As such, the results for the previous financial year ended 31 December 2013 have been restated to include amortisation, cost of sales and the corresponding reduction in income from the finalisation of the PPA exercise. Adjustments are also made to the intangible assets, deferred taxation and reserves balances in the consolidated statement of financial position.

Restatements arising from Advisory Letter

Arising from the Advisory Letter as disclosed in Note 1, certain financial line items in the financial years ended 31 December 2013 and 1 January 2013 were restated.

39 Prior year adjustment and comparative figures (Cont'd)

The effect of the prior year adjustment and the restatements arising from the Advisory Letter are as follows:

Consolidated Statements of Financial Position

The Group	Balance at 31 December 2014 as previously reported	Effect of restatement	Balance at 31 December 2014 as restated
	$'000	$'000	$'000
Intangible assets	805,013	(20,579)[b]	784,434
Other non-current assets	646,074	(379,359)[c]	266,715
Associates	239,393	230,905[c]	470,298
Other non-current liabilities	73,917	6,617[c]	80,534
Reserves	28,373	(171,071)[c],[d]	(142,698)
Accumulated profit/(losses)	102,014	(192,061)[b],[c]	(90,047)
Non-controlling interests	174,525	187,482[d]	362,007
Equity attributable to equity holders of the Company	2,010,541	(363,132)[b],[c]	1,647,409

The Group	Balance at 31 December 2013 as previously reported	Effect of prior year adjustment	Effect of restatement	Balance at 31 December 2013 as restated
	$'000	$'000	$'000	$'000
Intangible assets	1,269,162	(447,826)	(20,579)[b]	800,757
Other non-current assets	623,753	–	(373,258)[c]	250,495
Associates	193,436	67,049	226,495[c]	486,980
Deferred tax liabilities	4,575	95,289	–	99,864
Other non-current liabilities	80,240	–	6,343[c]	86,583
Accumulated losses	105,611	(11,114)	(181,479)[b],[c]	(86,982)
Reserves	16,610	–	(179,688)[c],[d]	(163,078)
Non-controlling interests	622,542	(464,952)	187,482[d]	345,072
Equity attributable to equity holders of the Company	1,991,261	–	(361,167)[b],[c]	1,630,094

39 Prior year adjustment and comparative figures (Cont'd)

Consolidated Statements of Financial Position (Cont'd)

The Group	Balance at 1 January 2013 as previously reported $'000	Effect of Restatement $'000	Balance at 1 January 2013 as restated $'000
Associates	17,196	220,466[c]	237,662
Other non-current assets	388,945	(306,170)[c]	82,775
Other non-current liabilities	41,389	6,119[c]	47,508
Accumulated losses	58,149	(90,521)[c]	(32,372)
Reserves	(5,080)	(1,302)[c]	(6,382)

The Company	Balance at 31 December 2014 as previously reported $'000	Effect of restatement $'000	Balance at 31 December 2014 as restated $'000
Subsidiaries	2,557,260	(20,579)[b]	2,536,681
Accumulated losses	(49,772)	(20,579)[b]	(70,351)

The Company	Balance at 31 December 2013 as previously reported $'000	Effect of restatement $'000	Balance at 31 December 2013 as restated $'000
Subsidiaries	2,557,260	(20,579)[b]	2,536,681
Accumulated losses	(618)	(20,579)[b]	(21,197)

39 Prior year adjustment and comparative figures (Cont'd)

Consolidated Statement of Comprehensive Income

The Group	Balance at 31 December 2014 as previously reported $'000	Effect of restatement $'000	Balance at 31 December 2014 as restated $'000
Other income	120,011	(6,209) [c]	113,802
General and administrative expenses	(151,947)	(71)[c]	(152,018)
Share of associate companies' result	(30,625)	(4,302)[c]	(34,927)
Profit before taxation	22,972	(10,582)[c]	12,390
Taxation	(18,626)	–	(18,626)
Profit/(loss) after taxation	4,346	(10,582)[c]	(6,236)
Currency translation differences	17,222	8,617[c]	25,839
Profit/(loss) attributable to:			
– Equity holders of the Company	7,517	(10,582)[c]	(3,065)
– Non-controlling interests	(3,171)	–	(3,171)
Basic earnings per share (cents)	0.156	(0.22)[c]	(0.064)
Diluted earnings per share (cents)	0.148	(0.212)[c]	(0.064)

39 Prior year adjustment and comparative figures (Cont'd)

Consolidated Statement of Comprehensive Income (Cont'd)

The Group	Balance at 31 December 2013 as previously reported $'000	Effect of prior year Adjustment $'000	Effect of restatement $'000	Balance at 31 December 2013 as restated $'000
Cost of sales	(1,584,052)	(12,225)	–	(1,596,277)
Other income	102,886	–	(88,327)[(b),(c)]	14,559
General and administrative expenses	(105,980)	(10,818)	(163)[(c)]	(116,961)
Share of associate companies' result	7,820	–	(2,467)[(c)]	5,353
Profit before taxation	86,240	(23,043)	(90,957)[(b),(c)]	(27,760)
Taxation	(16,043)	5,762	–	(10,281)
Profit after taxation	70,197	(17,281)	(90,957)[(b),(c)]	(38,041)
Currency translation differences	(106,237)	–	9,096[(c)]	(97,141)
Profit attributable to:				
– Equity holders of the Company	47,462	(11,114)	(90,957)[(c)]	(54,609)
– Non-controlling interests	22,735	(6,167)	–	16,568
Basic earnings per share (cents)	1.180	(0.276)	(2.262)[(c)]	(1.358)
Diluted earnings per share (cents)	1.133	(0.265)	(2.226)[(c)]	(1.358)

39 Prior year adjustment and comparative figures (Cont'd)

Consolidated Statement of Cash Flows

	Year ended 31 December 2014 As previously reported	Restatement	Year ended 31 December 2014 As restated
	$'000	$'000	$'000
Cash Flows from Operating Activities			
Profit before taxation	22,972	(10,582) [(c)]	**12,390**
Adjustments for:			
Amortisation of intangible assets	16,404	–	**16,404**
Depreciation of property, plant and equipment and investment properties	106,450	–	**106,450**
Currency translation difference	29,604	(29,604) [(a)]	**–**
Gain on disposal of property, plant and equipment	(33,174)	2[(a)]	**(33,172)**
Impairment of foreclosed assets	–	1,256[(a)]	**1,256**
Loss on sales of foreclosed assets	–	8,962[(a)]	**8,962**
Impairment/(reversal) of trade and other receivables	5,021	14,649[(a)]	**19,670**
Allowance for inventories obsolescence	11	102[(a)]	**113**
Provision for employees' benefits	4,674	–	**4,674**
Interest expense	131,625	1[(a)]	**131,626**
Interest income	(27,103)	17,039[(a)]	**(10,064)**
Gain on present value of non-convertible bond	–	–	**–**
Fair value loss/(gain) on derivative instruments	2,683	–	**2,683**
Gain on disposal of a subsidiary	(10,496)	–	**(10,496)**
Share of associates' result	30,625	4,302[(a)]	**34,927**
Operating profit/(loss) before working capital changes	279,296	6,127[(a)]	**285,423**
Increase in land inventories	(12,706)	–	**(12,706)**
Decrease in other inventories	112,028	12,344[(a)]	**124,372**
(Increase)/decrease in operating receivables	(206,950)	4,208[(a)]	**(202,742)**
Increase/(decrease) in operating payables	92,219	(11,945) [(a)]	**80,274**
Cash generated from/(used in) operating activities	263,887	10,734[(a)]	**274,621**
Income tax paid	(36,361)	–	**(36,361)**
Interest paid	(173,217)	–	**(173,217)**
Interest received	6,731	–	**6,731**
Employee benefit paid	(936)	–	**(936)**
Deposits refunded to tenants/golf members	(155)	155[(a)]	**–**
Net cash generated from/(used in) operating activities	59,949	10,889[(a)]	**70,838**

39 Prior year adjustment and comparative figures (Cont'd)

Consolidated Statement of Cash Flows (Cont'd)

	Year ended 31 December 2014 As previously reported $'000	Restatement $'000	Year ended 31 December 2014 As restated $'000
Cash Flows from Investing Activities			
Acquisition of intangible assets	(81)	–	**(81)**
Acquisition of property, plant and equipment	(180,488)	–	**(180,488)**
Acquisition of investment properties	(588)	–	**(588)**
Dividend from associates	4,346	–	**4,346**
Proceeds from disposal of property, plant and equipment	50,930	(2) [(a)]	**50,928**
Acquisition of subsidiaries, net cash outflow on acquisition	–	–	**–**
Acquisition of associates	(26,584)	–	**(26,584)**
Disposal of subsidiaries, net of cash disposal	2,710	–	**2,710**
Acquisition of other assets	(33)	33[(a)]	**–**
Net cash used in investing activities	(149,788)	31[(a)]	**(149,757)**
Cash Flows from Financing Activities			
Proceeds from other financing activities	404,256	(25,822) [(a)]	**378,434**
Repayment of other financing activities	(94,148)	32,460[(a)]	**(61,688)**
Acquisition of non-controlling interests	–	23[(a)]	**23**
Proceeds from bank borrowings	730,433	764,352[(a)]	**1,494,785**
Repayment of bank borrowings	(959,721)	(795,128) [(a)]	**(1,754,849)**
Proceeds from additional capital stock contribution of Non-controlling interest	–	16,319[(a)]	**16,319**
Dividends paid to non-controlling interests	(1,589)	(2,199) [(a)]	**(3,788)**
Net cash generated from financing activities	79,231	(9,995) [(a)]	**69,236**
(Decrease)/increase in cash and cash equivalents	(10,608)	925[(a)]	**(9,683)**
Cash and cash equivalents at beginning of year	168,363	–	**168,363**
Effect of currency translation on cash and cash equivalent	3,537	(925) [(a)]	**2,612**
Cash and cash equivalents at end of year	161,292	–	**161,292**

39 Prior year adjustment and comparative figures (Cont'd)

Consolidated Statement of Cash Flows (Cont'd)

	Year ended 31 December 2013 As previously reported	Restatement	Year ended 31 December 2013 As restated
	$'000	$'000	$'000
Cash Flows from Operating Activities			
Profit/(loss) before taxation	63,197	(90,957)[b],[c]	(27,760)
Adjustments for:			
Amortisation of intangible assets	10,876	–	10,876
Depreciation of property, plant and equipment and investment properties	83,392	–	83,392
Currency translation difference	(173,259)	173,259[a]	–
Gain on disposal of property, plant and equipment	(26,266)	–	(26,266)
Impairment of trade and other receivables	(2,469)	20,927[a]	18,458
Impairment of foreclosed assets	–	463[a]	463
Loss on sales of foreclosed assets	–	–	–
Allowance for inventories obsolescence	(174)	174[a]	–
Provision for employees' benefits	3,509	–	3,509
Interest expense	75,208	–	75,208
Interest income	(24,822)	17,142[a]	(7,680)
Gain on present value of non-convertible bond	(20,579)	20,579[a]	–
Gain on disposal of investment of shares	–	–	–
Fair value loss/(gain) on derivative instruments	(11,376)	–	(11,376)
Loss on disposal of associate	528	(528)[a]	–
Share of associates' result	(7,820)	2,467[a]	(5,353)
Operating profit before working capital changes	(30,055)	143,526[a],[b],[c]	113,471
Increase in land inventories	(11,296)	–	(11,296)
Decrease/(increase) in other inventories	47,431	(53,554)[a]	(6,123)
Increase in operating receivables	271	(222,174)[a]	(221,903)
Increase in operating payables	(52,118)	296,089[a]	243,971
Cash generated from operating activities	(45,767)	163,887[a],[b],[c]	118,120
Income tax paid	(50,700)	–	(50,700)
Interest paid	(91,877)	–	(91,877)
Interest received	2,017	3,041[a]	5,058
Employee benefit paid	(669)	(8)[a]	(677)
Deposits refunded to tenants/golf members	(2,194)	2,194[a]	–
Net cash generated from/(used in) operating activities	(189,190)	169,114	(20,076)

39 Prior year adjustment and comparative figures (Cont'd)

Consolidated Statement of Cash Flows (Cont'd)

	Year ended 31 December 2013 As previously reported $'000	Restatement $'000	Year ended 31 December 2013 As restated $'000
Cash Flows from Investing Activities			
Acquisition of intangible assets	(414)	–	(414)
Acquisition of property, plant and equipment	(100,598)	–	(100,598)
Acquisition of investment properties	(379)	–[(a)]	(379)
Dividend from associates	4,454	–	4,454
Proceeds from disposal of property, plant and equipment	54,652	14[(a)]	54,666
Acquisition of subsidiaries, net cash outflow on acquisition	(919,281)	7[(a)]	(919,274)
Acquisition of associates	(37,181)	–	(37,181)
Acquisition of other assets	(4)	4[(a)]	–
Net cash used in investing activities	(998,751)	25[(a)]	(998,726)
Cash Flows from Financing Activities			
Subscription of convertible bond	80,000	(80,000)[(a)]	–
Proceeds from other financing activities	131,917	(131,917)[(a)]	–
Repayment of other financing activities	(9,264)	9,264[(a)]	–
Proceeds from issuance of bonds and shares	–	285,121[(a)]	285,121
Repayment of other financing activities	–	(88,233)[(a)]	(88,233)
Acquisition of non-controlling interests	(346,097)	10,745[(a)]	(335,352)
Proceeds from bank borrowings	819,155	297,538[(a)]	1,116,693
Repayment of bank borrowings	(53,196)	(451,870)[(a)]	(505,066)
Share issue expenses	(2,983)	–	(2,983)
Proceeds from issuance of right issue	675,495	–	675,495
Dividends paid to non-controlling interests	(3,574)	(756)[(a)]	(4,330)
Net cash generated from financing activities	1,291,453	(150,108)[(a)]	1,141,345
(Decrease)/increase in cash and cash equivalents	103,512	19,031[(a)]	122,543
Cash and cash equivalents at beginning of year	66,769	–	66,769
Effect of currency translation on cash and cash equivalent	(1,918)	(19,031)[(a)]	(20,949)
Cash and cash equivalents at end of year	168,363	–	168,363

(a) Restatement arising for note 1(a) – classification of currency translation

(b) Restatement arising for note 1(b) – bond accounting

(c) Restatement arising for note 1(c) – consolidation of MSL as a subsidiary

(d) Restatement arising for note 1(d) – classification of non-controlling interest

40 Events after end of reporting period

(i) On 2 February 2015, the Company issued $75 million 7.00% unsecured notes due 2017 under the US$500 million Euro Medium Term Note Programme established by the Company.

(On 26 March 2015, the Company proposed to issue $175 million 7.00% unsecured notes due 2018 under the US$500 million Euro Medium Term Note Programme established by the Company. The issue date of the Notes takes place on 6 April 2015.

(ii) On 23 March 2015, the Group held a Public Expose Offering of Indomobil Finance Indonesia Continuous Bond II for 2 years since the effective date with Fixed interest rate with Target Collected Funds amounting to 3 trillion rupiah. In connection with the continuous offer, the Group will issue and offer Indomobil Finance Indonesia Continuous Bonds II Phase I Year 2015 with maximum principal amount of 500 billion rupiah with maturity period of 370 calendar days, 36 months and 48 months for three types of bonds.

(iii) The Group obtained approval from PT Bank DBS Indonesia and PT Bank UOB Indonesia to extend the loan maturity from February 2015 to May 2015.

(iv) The Group repaid the loan facility to PT Bank Central Asia Tbk.

(v) The Group increased its shareholding in PT Garuda Mataram Motor ("PT GMM"), a subsidiary of PT IMAS to 99.69%.

(vi) The Group established a company, PT Data Arts Xperience ("PT DAX") with DAC Asia Pte. Ltd to engage in data processing, advertising and web portal. The Group holds 65% while DAC Asia Pte. Ltd holds the remaining shareholding percentage.

(vii) On 3 February 2016, the Group's subsidiary, PT Indomobil Finance Indonesia ("PT IMFI"), issued bonds with nominal value of Rp500,000,000,000 which consists of:–

(1) Series A Bonds – the term of the bonds is 370 calendar days.

(2) Series B Bonds – the term of the bonds is 3 years.

(3) Series C Bonds – the term of the bonds is 4 years.

(viii) In January 2016, one of the Group's subsidiary established a company, PT Seino Indomobil Logistics Services ("PT SILS") with Seino Holdings Co., Ltd. to engage in information technology activities and services. The Group holds 51% of PT SILS.

(ix) In February 2016, the Group increased its shareholding in PT Garuda Mataram Motor ("PT GMM"), one of the subsidiaries, to 99.9%.

(x) In February 2016, the Group signed an agreement to subscribe additional shares in PT Nissan Motor Indonesia, an associate of the Group, for an amount of US$27.5 million.

40 Events after end of reporting period (Cont'd)

(xi) In February 2017, the Company has repurchased $30 million and $13.25 million of Notes in series 002 and series 003 issued by the Company under the Euro Medium Term Note Programme. After the repurchased, the aggregate outstanding principal amount of the Notes in Series 002 and Series 003 are $120,000,000 and $61,750,000, respectively.

(xii) There are changes in the Group's subsidiary, PT Indomobil Sukses Internasional's effective shareholding in certain subsidiaries as follows;

(a) PT Furukawa Indomobil Battery Manufacturing from 49% to 19.57%

(b) PT Indomobil Prima Niaga from 99% to 99.81%

(c) PT Unicor Prima Motor from 72.58% to 75.13%

(xiii) The Group has incorporated the following companies:–

(a) PT Indomobil Edukasi Utama engages in education services. The Group's subsidiaries, PT Indomobil Multi Jasa and PT CSM Corporatama hold 100% shareholding of the company established.

(b) Teachcast Global Pte. Ltd engages in education services. The Group's subsidiary, PT IMG Sejahtera Langgeng holds 80% while Teachcast LLC holds the remaining 20%.

(c) PT Gallant Lagoi Abadi, PT Gallant Lagoi Berjaya, PT Gallant Lagoi Cemerlang, PT Gallant Lagoi Damai, PT Gallant Lagoi Elok, PT Gallant Lagoi Fenomena, PT Gallant Lagoi Gemilang, PT Gallant Lagoi Harmoni, PT Gallant Lagoi Inti and PT Gallant Lagoi Jaya. The Group holds 100% and these companies engage in hotel investment.

(xiv) The Group has obtained credit facilities from PT Bank Danamon Indonesia and PT Bank Mizuho Indonesia.

(xv) The Group has repaid the loan of $17,015,000 from UOB Bank on 19 January 2017.

Financial statements
Gallant Venture Ltd.
and its subsidiaries

31 December 2015

COMPANY INFORMATION

Company registration number	200303179Z
Registered office	3 HarbourFront Place #16-01 HarbourFront Tower Two Singapore 099254
Directors	Lim Hock San (Non-Executive Chairman and Independent Director) Eugene Cho Park (Executive Director and Chief Executive Officer) Gianto Gunara (Executive Director) Jusak Kertowidjojo (Executive Director) Choo Kok Kiong (Executive Director) Dr Tan Chin Nam (Non-Executive Director) Axton Salim (Non-Executive Director) Foo Ko Hing (Independent Director) Rivaie Rachman (Independent Director)
Audit committee	Lim Hock San (Chairman) Foo Ko Hing Rivaie Rachman
Nominating committee	Rivaie Rachman (Chairman) Lim Hock San Foo Ko Hing
Remuneration committee	Lim Hock San (Chairman) Foo Ko Hing Rivaie Rachman
Company secretary	Choo Kok Kiong
Share registrar	KCK CorpServe Pte. Ltd. 333 North Bridge Road #08-00 KH KEA Building Singapore 188721
Principal bankers	United Overseas Bank Limited Standard Chartered Bank Ltd DBS Bank Ltd PT Bank CIMB Niaga Tbk CIMB Singapore Branch
Independent auditor	Foo Kon Tan LLP Public Accountants and Chartered Accountants 24 Raffles Place #07-03 Clifford Centre Singapore 048621 Partner-in-charge: Mr Ong Soo Ann (since financial year 2013)

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DIRECTORS' STATEMENT
for the financial year ended 31 December 2015

The Directors submit this annual report to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 December 2015.

In the opinion of the directors,

(a) the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards;

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of Directors

The Directors of the Company to office at the date of this report are:

Mr Lim Hock San (Non-Executive Chairman and Independent Director)
Mr Eugene Cho Park (Executive Director and Chief Executive Officer)
Mr Gianto Gunara (Executive Director)
Mr Jusak Kertowidjojo (Executive Director)
Mr Choo Kok Kiong (Executive Director)
Dr Tan Chin Nam (Non-Executive Director)
Mr Axton Salim (Non-Executive Director)
Mr Foo Ko Hing (Independent Director)
Mr Rivaie Rachman (Independent Director)

Arrangements to enable Directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of the subsidiaries was a party to any arrangement the object of which was to enable the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body, other than as disclosed in this report.

DIRECTORS' STATEMENT
for the financial year ended 31 December 2015

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50, none of the Directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations except as follows:

	Number of ordinary shares registered in the name of Director or nominee		Number of ordinary shares in which Director is deemed to have an interest		Principal amount of debentures in the name of Director or nominee	
The Company	**As at 1.1.2015**	**As at 31.12.2015 and 21.1.2016**	**As at 1.1.2015**	**As at 31.12.2015 and 21.1.2016**	**As at 1.1.2015**	**As at 31.12.2015 and 21.1.2016**
					$	**$**
Lim Hock San	1,714,000	**1,714,000**	–	**–**	1,000,000	**1,000,000**
Eugene Cho Park	200,000	**200,000**	–	**–**	–	**–**
Gianto Gunara	200,000	**200,000**	–	**–**	–	**–**

Share options scheme

No options were granted during the financial year to take up unissued shares of the Company or of its subsidiaries.

No shares were issued by virtue of the exercise of options.

There were no unissued shares under option at the end of the financial year.

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Mr Lim Hock San (Chairman)
Mr Foo Ko Hing
Mr Rivaie Rachman

The audit committee performs the functions set out in Section 201B (5) of the Companies Act, Chapter 50, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the committee reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the quarterly financial information (where applicable) and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2015 as well as the auditor's report thereon;

Audit Committee (Cont'd)

(iv) effectiveness of the Company's and the Group's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;

(v) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

(vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(viii) reviewed the nature and extent of non-audit services provided by the external auditor;

(ix) recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

(x) reported actions and minutes of the Audit Committee to the board of directors with such recommendations as the Audit Committee considered appropriate; and

(xi) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The audit committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The audit committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The audit committee is satisfied with the independence and objectivity of the external auditor and has recommended to The Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the Report on Corporate Governance.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT
for the financial year ended 31 December 2015

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

EUGENE CHO PARK

CHOO KOK KIONG

Dated: 6 April 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the financial statements

We were engaged to audit the accompanying financial statements of Gallant Venture Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position of the Company and the Group as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Singapore Standards on Auditing. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

We did not express an audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2014. Our reissued audit report dated 6 April 2017 on the financial statements for the previous year ended 31 December 2014 contained the following bases for the disclaimer of opinion:

As explained in Note 1 to the financial statements, the Company changed its accounting treatment to regard Market Strength Limited ("MSL"), an entity which it has no legal ownership and holds no equity interest following an advisory letter from ACRA, as a subsidiary by virtue of its contractual rights which give it power to direct MSL's relevant activities. MSL has been used as a vehicle since 2010 by the Company by way of participating in the Notes ("MSL Notes") and detachable warrants ("MSL Warrants"). For financial reporting purposes, MSL has to adopt equity accounting for its interest in the underlying investments. We have been informed by management of the Group that in so far as books and records of MSL are concerned including the MSL Notes and MSL Warrants which were recorded at their face values at inception, there is no complete set of financial information nor reliable documentary evidence to be made available to us for our audit. This is because there were no operating bank accounts as reported by the directors of MSL. Under the laws of incorporation, MSL, which was incorporated in the British Virgin Islands, is not subject to any statutory audit nor were any audits being carried out since its incorporation. For this reason, MSL also did not prepare the financial statements on a consolidated basis.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the financial statements (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

MSL has an effective interest of approximately 47.7% in Shanghai Wanye Enterprises Lao Xi Men Real Estate Development Co., Ltd ("LXM") which owns the property development project located at Lao Xi Men, in Shanghai, People's Republic of China ("PRC") ("Lao Xi Men Project"). The effective interest of MSL is through its direct and indirect equity holdings in Super Concord Holdings Ltd ("Super Concord") and World Elite Investments Ltd ("World Elite") whereby MSL holds direct interest of 32.0% in Super Concord, and 37.5% in World Elite which also has an interest of 45.35% in Super Concord. World Elite and Super Concord are both investment holding companies incorporated in Hong Kong. Super Concord has a 97.31% equity interest in LXM.

In addition, we were informed by the management of the Group that Super Concord and World Elite, both investment holding companies had prepared separate financial statements which were audited for local statutory filing. However, no consolidated financial statements were prepared by these two companies. The financial statements of LXM have also been audited. Management is of the view that the extent of gathering financial information for the purpose of financial reporting is met with significant difficulties.

We understand that for the purpose of consolidating MSL, management obtained the management accounts of MSL for the year ended 31 December 2014 and performed the following:

(a) equity account for its interest in World Elite based on the audited separate financial statements of World Elite for the year ended 31 December 2014; and

(b) equity account for its interest in Super Concord based on the audited separate financial statements of Super Concord for the year ended 31 December 2014.

The audited financial statements of World Elite and Super Concord were audited by another auditor.

The audit evidence available with respect to the consolidation of MSL was limited because:

(a) we were unable to gain access to the management of MSL, World Elite, Super Concord and LXM; and

(b) we were unable to gain access to the auditors of World Elite, Super Concord and LXM and consequently, were unable to review the auditor's working papers to obtain evidence on the related financial statements.

In addition, the financial statements for the year ended 31 December 2014 of:

(a) MSL were not audited;

(b) World Elite were qualified for not accounting for its investment in an associated company, Super Concord using the equity method of accounting including the related disclosures; and

(c) Super Concord were qualified for non-consolidation of its subsidiary, LXM and related disclosures.

Due to limitations placed on the scope of our work which is beyond the control of the directors of the Company, we have been unable to obtain sufficient and appropriate audit evidence concerning the consolidation of MSL. Accordingly we are unable to determine if the consolidated financial statements of the Group for the year ended 31 December 2014 are fairly stated.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the financial statements (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

We were also unable to obtain sufficient and appropriate audit evidence on the value of the investment in the subsidiary, MSL, as recorded in the separate financial statements of the Company. The reported carrying amount of the investment arises from the contractual rights under the MSL Notes and Warrants which gives it power to direct MSL's relevant activities. Management has recognised and recorded for the subsidiary at its deemed cost of nil and ascribed the fair value of the MSL Warrants to be zero owing to a lack of reliable financial data to estimate the fair value of the detachable warrants at its inception and at each reporting year end date. Accordingly, we were unable to obtain sufficient and appropriate audit evidence on the fair value of the warrants and neither were we able to perform alternative procedures to satisfy ourselves as to the appropriateness of the value of the warrants. The financial statements do not include any adjustments that are necessary to adjust this amount, if required.

In the current financial year, the matter as referred to above in the previous financial year remains unresolved for the same reason. Neither were we able to perform alternative procedures we consider necessary in the current financial year. As the previous year consolidated financial statements form the opening balances for the current year financial statements, we were unable to determine the impact on the current year's consolidated financial statements arising from adjustments, if any, to these opening balances and the related disclosures. Likewise we were unable to express an audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2015.

We understand that for the purpose of consolidating MSL, management obtained the management accounts of MSL for the year ended 31 December 2015 and performed the following:

(a) equity account for its interest in World Elite based on the audited separate financial statements of World Elite for the year ended 31 December 2015; and

(b) equity account for its interest in Super Concord based on the audited separate financial statements of Super Concord for the year ended 31 December 2015.

The audit evidence available with respect to the consolidation of MSL was limited because:

(a) we were unable to gain access to the management of MSL, World Elite, Super Concord and LXM; and

(b) we were unable to gain access to the auditors of World Elite, Super Concord and LXM and consequently, were unable to review the auditor's working papers to obtain evidence on the related financial statements.

In addition, the financial statements for the year ended 31 December 2015 of:

(a) MSL were not audited;

(b) World Elite were qualified for not accounting for its investment in an associated company, Super Concord using the equity method of accounting including the related disclosures; and

(c) Super Concord were qualified for non-consolidation of its subsidiary, LXM and related disclosures.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the financial statements (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

Due to limitations placed on the scope of our work which is beyond the control of the directors of the Company, we have been unable to obtain sufficient and appropriate audit evidence concerning the consolidation of MSL. Accordingly we are unable to determine if the consolidated financial statements of the Group for the year ended 31 December 2015 are fairly stated.

We were also unable to obtain sufficient and appropriate audit evidence on the value of the investment in the subsidiary, MSL, as recorded in the separate financial statements of the Company. The reported carrying amount of the investment arises from the contractual rights under the MSL Notes and Warrants which gives it power to direct MSL's relevant activities. Management has recognised and recorded for the subsidiary at its deemed cost of nil and ascribed the fair value of the MSL Warrants to be zero owing to a lack of reliable financial data to estimate the fair value of the detachable warrants at its inception and at each reporting year end date. Accordingly, we were unable to obtain sufficient and appropriate audit evidence on the fair value of the warrants and neither were we able to perform alternative procedures to satisfy ourselves as to the appropriateness of the value of the warrants. The financial statements do not include any adjustments that are necessary to adjust this amount, if required.

In December 2016, MSL is deemed to be fully disposed by the Company following the redemption and disposal of the Notes and the Warrants by the Group at an aggregate consideration sum of US$330 million.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Report on Other Legal and Regulatory Requirements

In our opinion, except as described in the Basis for Disclaimer of Opinion paragraph in relation to the accounting for investment in MSL in the Company, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Other matter

As disclosed in Notes 1 and 40 to the financial statements which describe the restatement and reissuance of the financial statements as prompted by the Advisory Letter from ACRA. We have issued our auditor's report dated 6 April 2016 on the previously issued financial statements. Due to the amendments made as described in Notes 1 and 40 to the financial statements, we provide this new auditor's report on the re-issued financial statements.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 6 April 2017

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2015

	Note	The Company 31 Dec 2015 $'000	The Company 31 Dec 2014 $'000	The Group 31 Dec 2015 $'000	The Group 31 Dec 2014 $'000
Assets					
Non-Current					
Intangible assets	3	**171**	261	**768,087**	784,434
Property, plant and equipment	4	**34**	59	**639,866**	676,393
Investment properties	5	**–**	–	**183,984**	164,675
Subsidiaries	6	**2,536,681**	2,536,681	**–**	–
Associates	7	**–**	–	**450,704**	470,298
Financing receivables	8	**–**	–	**383,988**	357,510
Deferred tax assets	9	**6,502**	6,211	**40,527**	44,087
Other non-current assets	10	**11,649**	10,159	**219,515**	266,715
		2,555,037	2,553,371	**2,686,671**	2,764,112
Current					
Land inventories	11	**–**	–	**630,027**	609,798
Other inventories	12	**–**	–	**298,605**	366,510
Financing receivables	8	**–**	–	**423,083**	408,575
Trade and other receivables	13	**58,859**	119,985	**523,039**	546,454
Cash and cash equivalents	14	**18,074**	525	**201,921**	161,292
		76,933	120,510	**2,076,675**	2,092,629
Total assets		**2,631,970**	2,673,881	**4,763,346**	4,856,741
Equity and liabilities					
Share capital	15	**1,880,154**	1,880,154	**1,880,154**	1,880,154
Accumulated losses		**(122,339)**	(70,351)	**(234,924)**	(90,047)
Reserves	16	**80,000**	80,000	**(147,247)**	(142,698)
Equity attributable to equity holders of the Company		**1,837,815**	1,889,803	**1,497,983**	1,647,409
Non-controlling interests		**–**	–	**336,434**	362,007
Total equity		**1,837,815**	1,889,803	**1,834,417**	2,009,416
Liabilities					
Non-Current					
Borrowings	17	**–**	209,925	**500,684**	700,532
Debt securities	18	**451,677**	414,274	**622,634**	586,311
Deferred tax liabilities	9	**–**	–	**95,681**	97,882
Employee benefits liabilities	19	**–**	–	**30,960**	25,672
Other non-current liabilities	20	**3,376**	2,773	**42,598**	80,534
		455,053	626,972	**1,292,557**	1,490,931
Current					
Trade and other payables	21	**17,877**	19,037	**361,886**	386,462
Borrowings	17	**145,604**	137,503	**973,498**	811,804
Debt securities	18	**174,693**	–	**286,707**	141,594
Current tax payable		**928**	566	**14,281**	16,534
		339,102	157,106	**1,636,372**	1,356,394
Total liabilities		**794,155**	784,078	**2,928,929**	2,847,325
Total equity and liabilities		**2,631,970**	2,673,881	**4,763,346**	4,856,741

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the financial year ended 31 December 2015

	Note	Year ended 31 December 2015 $'000	Year ended 31 December 2014 $'000
Revenue	24	**2,028,105**	2,328,328
Cost of sales		**(1,715,205)**	(1,946,920)
Gross profit		**312,900**	381,408
Other income	25	**58,978**	113,802
General and administrative expenses		**(168,446)**	(152,018)
Other operating expenses	26	**(168,268)**	(164,250)
Share of associate companies' result		**(26,271)**	(34,927)
Finance costs	27	**(145,208)**	(131,625)
(Loss)/profit before taxation	28	**(136,315)**	12,390
Taxation	29	**(27,061)**	(18,626)
Loss after taxation		**(163,376)**	(6,236)
Other comprehensive (expense)/income after taxation:			
Items that are/may be reclassified subsequently to profit or loss			
Change in fair value of available-for-sales investments	16(d)	**(13,139)**	5,558
Change in fair value of derivative instruments, net of tax	16(c)	**4,688**	(2,377)
Currency translation differences	16(b)	**750**	25,839
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans	16(e)	**(1,810)**	(158)
Other comprehensive (expense)/income for the year after taxation	30	**(9,511)**	28,862
Total comprehensive (expense)/income for the year		**(172,887)**	22,626
(Loss)/profit attributable to:			
– Equity holders of the Company		**(144,877)**	(3,065)
– Non-controlling interests		**(18,499)**	(3,171)
		(163,376)	(6,236)
Total comprehensive (expense)/income attributable to:			
– Equity holders of the Company		**(148,535)**	17,974
– Non-controlling interests		**(24,352)**	4,652
		(172,887)	22,626
		Cents	Cents
Loss per share			
– Basic	31	**(3.003)**	(0.064)
– Diluted		**(3.003)**	(0.064)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2015

	Attributable to owners of the Company									
	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Other reserves $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2015	**1,880,154**	**(105,771)**	**(45,930)**	**3,446**	**(315)**	**5,872**	**(90,047)**	**1,647,409**	**362,007**	**2,009,416**
Loss for the year	–	–	–	–	–	–	**(144,877)**	**(144,877)**	**(18,499)**	**(163,376)**
Other comprehensive income/(expense)	–	–	**4,285**	**3,357**	**(9,346)**	**(1,954)**	–	**(3,658)**	**(5,853)**	**(9,511)**
Total comprehensive income/ expense for the year	–	–	**4,285**	**3,357**	**(9,346)**	**(1,954)**	**(144,877)**	**(148,535)**	**(24,352)**	**(172,887)**
Dividends paid to non-controlling interest	–	–	–	–	–	–	–	–	**(2,594)**	**(2,594)**
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	–	–	–	–	–	**(891)**	–	**(891)**	**1,373**	**482**
Balance at 31 December 2015	**1,880,154**	**(105,771)**	**(41,645)**	**6,803**	**(9,661)**	**3,027**	**(234,924)**	**1,497,983**	**336,434**	**1,834,417**
Balance as at 1 January 2014, as restated	1,880,154	(105,771)	(64,847)	5,145	(4,267)	6,662	(86,982)	1,630,094	345,072	1,975,166
Loss for the year	–	–	–	–	–	–	(3,065)	(3,065)	(3,171)	(6,236)
Other comprehensive income/(expense)	–	–	18,917	(1,699)	3,952	(131)	–	21,039	7,823	28,862
Total comprehensive income/(expense) for the year	–	–	18,917	(1,699)	3,952	(131)	(3,065)	17,974	4,652	22,626
Dividends paid to non-controlling interest	–	–	–	–	–	–	–	–	(1,589)	(1,589)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	–	–	–	–	–	(659)	–	(659)	13,872	13,213
Balance at 31 December 2014	1,880,154	(105,771)	(45,930)	3,446	(315)	5,872	(90,047)	1,647,409	362,007	2,009,416

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2015

	Note	Year ended 31 December 2015 $'000	Year ended 31 December 2014 $'000
Cash Flows from Operating Activities			
(Loss)/profit before taxation		**(136,315)**	12,390
Adjustments for:			
Amortisation of intangible assets	3	**16,408**	16,404
Depreciation of property, plant and equipment and investment properties	4,5	**109,626**	106,450
Gain on disposal of property, plant and equipment	25	**(673)**	(33,172)
Impairment of trade and other receivables	8,13	**31,311**	19,670
Impairment of foreclosed assets	22	**4,429**	1,256
Loss on sales of foreclosed assets		**13,050**	8,962
Allowance for inventories obsolescence	12	**–**	113
Provision for employees' benefits	19	**5,235**	4,674
Interest expense	27	**145,208**	131,626
Interest income		**(15,806)**	(10,064)
Fair value loss on derivative instruments		**603**	2,683
Loss on disposal of investment in shares		**691**	–
Gain on disposal of investment in associate		**(9,222)**	(10,496)
Share of associates' result		**26,271**	34,927
Operating profit before working capital changes		**190,816**	285,423
Increase in land inventories		**(20,229)**	(12,706)
Decrease in other inventories		**67,905**	124,372
Increase in operating receivables		**(6,635)**	(202,742)
Increase in operating payables		**28,295**	80,274
Cash generated from operating activities		**260,152**	274,621
Income tax paid		**(39,987)**	(36,361)
Interest paid		**(166,365)**	(173,217)
Interest received		**12,353**	6,731
Employee benefit paid	19	**(1,100)**	(936)
Net cash generated from operating activities		**65,053**	70,838
Cash Flows from Investing Activities			
Acquisition of intangible assets	3	**(61)**	(81)
Acquisition of property, plant and equipment	4	**(110,772)**	(180,488)
Acquisition of investment properties	5	**(2,440)**	(588)
Dividend from associates	7	**753**	4,346
Proceeds from disposal of property, plant and equipment		**14,941**	50,928
Acquisition of associates		**(12,073)**	(26,584)
Proceeds from sales of associates		**21,005**	–
Short term investment		**(28,956)**	–
Disposal of subsidiaries, net of cash disposal	[A]	**–**	2,710
Net cash used in investing activities		**(117,603)**	(149,757)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)
for the financial year ended 31 December 2015

	Note	Year ended 31 December 2015 $'000	Year ended 31 December 2014 $'000
Cash Flows from Financing Activities			
Proceeds from other financing activities		**413,135**	378,434
Repayment of other financing activities		**(234,745)**	(61,688)
Acquisition of non-controlling interests		**250**	23
Proceeds from additional capital stock contribution of NCI		**823**	16,319
Proceeds from bank borrowings		**2,498,748**	1,494,785
Repayment of bank borrowings		**(2,580,280)**	(1,754,849)
Dividends paid to non-controlling interests		**(2,594)**	(3,788)
Net cash generated from financing activities		**95,337**	69,236
Increase/(decrease) in cash and cash equivalents		**42,786**	(9,683)
Cash and cash equivalents at beginning of year		**161,292**	168,363
Effect of currency translation on cash and cash equivalent		**(2,157)**	2,612
Cash and cash equivalents at end of year	14	**201,921**	161,292

Note A: Disposal of a Subsidiary

In prior year, the Group disposed of the entire equity interest in its subsidiary, Starhome Limited. The carrying value of assets and liabilities disposed of were as follows:–

	2014 $'000
Total Net assets	16,634
Gain on disposal of subsidiary	10,496
Consideration for the disposal	27,130
Consideration for the disposal	
Initial Cash payment	2,710
Cash Instalment payment	24,420
	27,130
Effect of the disposal on cash flows	
Cash consideration	2,710
Cash balance in subsidiary disposed of	–
Cash inflow on disposal	2,710

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

The financial statements of the Group and statement of financial position of the Company for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors' statement.

The Company was incorporated as a limited liability company listed on Singapore Exchange and domiciled in Singapore.

The registered office and the principal place of business is at 3 HarbourFront Place #16-01 HarbourFront Tower Two, Singapore 099254 (formerly at 991A Alexandra Road #02-06/07, Singapore 119969).

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

The Company's immediate holding company is Parallax Venture Partners XXX Ltd, a company incorporated in the British Virgin Islands and its ultimate holding company is Salim Wanye (Shanghai) Enterprises Co., Ltd, a company incorporated in the People's Republic of China.

Pursuant to the Financial Reporting Surveillance Programme, ACRA reviewed the Original FY2014 Financial Statements of the Company for compliance with the accounting standards under Section 201(3A) of the then prevailing Companies Act. On 10 October 2016, ACRA issued an advisory letter on compliance with accounting standards to the Board of Directors of the Company (the "Advisory Letter").

ACRA had in the Advisory Letter required the Company to, *inter alia*, re-state, re-audit and re-file the Original FY2014 Financial Statements and the Original FY2015 Financial Statements.

The Advisory Letter on compliance with accounting standards deals with, *inter alia*, the following:

(a) Classification of Currency Translation

Paragraph 20(b) and 28 of FRS 7 Statement of Cash flows – Currency translation differences from converting the Group's outstanding borrowings in the subsidiaries' functional currency (Indonesian Rupiah) to the Group's presentation currency (Singapore Dollar) should not have been classified as an adjustment to profit before tax in the Consolidated Statement of Cash Flows in the Original FY2014 Financial Statements. ACRA was of the view that the net cash flows generated from operating activities and financing activities in FY2014 were understated and overstated respectively.

1 General information (Cont'd)

(b) Bond Accounting

Paragraph 37 of FRS 103 Business Combinations and paragraph 43 of FRS 39 Financial Instruments: Recognition and Measurement – in respect of unsecured non-convertible bonds issued by the Company in 2013 (the "Non-Convertible Bonds") in connection with the acquisition by the Group of PT IMAS, the Company should have recognised the purchase consideration for such business acquisition based on the fair value of the Non-Convertible Bonds instead of their principal amount.

(c) Consolidation of MSL as a Subsidiary

Paragraph 7 of FRS 110 Consolidated Financial Statements – The Group's investment in MSL by way of its holding of US$202.5 million principal amount of notes and 202.5 million detachable warrants issued by MSL in 2010, should have been accounted for by way of consolidating MSL as a subsidiary pursuant to FRS 110.

(d) Classification of Non-Controlling Interest

Paragraph B96 of FRS 110 Consolidated Financial Statements – The Group had not restated the amount of non-controlling interest transferred to equity, following an acquisition of an additional 19.14% in PT IMAS to reflect the finalised purchase price allocation exercise.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information is presented in Singapore dollars, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(a) Consolidation of MSL as a subsidiary (Notes 1 and 6)

Significant judgement and assumptions are required in determining whether the Company or the Group has control over an entity such as assessing which activities are relevant activities, whether voting rights are relevant in assessing power over investee and if voting rights are substantive including potential voting rights that are currently exercisable or convertible in making this assessment under FRS 110. As disclosed in Notes 1 and 6, the Company changed its accounting treatment to regard MSL, an entity in which it has no legal ownership and holds no equity interest following an advisory letter from ACRA, as a subsidiary by virtue of its interpretation of the contractual rights which gives it power to direct MSL's relevant activities. Prior to the Advisory Letter, the Company was of the view that it did not meet the requirements of control under FRS 110 as they do not have ownership interest in MSL nor any decision-making involvement with the operations of MSL and hence did not have control of MSL. Nevertheless, the Company has been directed by ACRA to consolidate MSL; such assessment however, involves significant judgement and assumptions.

(b) Income taxes (Note 29)

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) Operating lease commitments – as lessor (Note 32 (b))

The Group has entered into commercial property leases on its investment properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases. The carrying value of the operating leases as of 31 December 2015 amounted to $72,266,000 (2014 – $39,164,000).

(d) Classification of investment properties (Note 5)

The Group classifies certain buildings and improvements as investment properties as these are leased out to earn rental income. An insignificant portion of investment properties is held for use in the supply of services or for administration purposes.

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(e) Determination of functional currency

The Group measures foreign currency translation in the respective currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(f) Allowance for impairment losses on receivables (Notes 8 and 13)

The Company and the Group evaluate specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Company and the Group use judgement, based on the best available facts and circumstances including but not limited to the length of its relationship with the customer and the customer's current credit status based on third party credit reports and known market factors to record specific provisions for customers receivables against amount due to reduce its receivable amounts that the Company and the Group expect to collect. These specific provisions are revaluated and adjusted if additional information received affects the amounts of allowance for impairment losses of trade receivables, financing receivables and other receivables. The carrying amount of the Company's and the Group's receivables as at 31 December 2015 amount to $58,859,000 (2014 – $119,985,000) and $1,330,110,000 (2014 – $1,312,539,000) respectively.

(g) Deferred tax assets (Note 9)

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management estimates are required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The carrying amounts of the Company's and the Group's deferred tax assets as at 31 December 2015 are $6,502,000 (2014 – $6,211,000) and $40,527,000 (2014 – $44,087,000) respectively.

(h) Going Concern

As at 31 December 2015, the Company's current liabilities exceeded its current assets by $262,169,000 (2014 – $36,596,000). The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet their obligations as and when they fall due in the next 12 months. The Company's net current liability position is mainly due to loans from subsidiaries amounting to $145,604,000 (2014 – $137,503,000) and bonds of $174,693,000 (2014 – $Nil).

The Company is able to raise funds through bank borrowings and capital market, and obtain additional funds from the subsidiaries to settle its current liabilities and the subsidiaries will not call for the loans for the next twelve months.

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies

(a) Pension and employee benefits (Note 19)

The determination of the Group's obligation cost for pension and employee benefits liabilities is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Group's assumptions are recognised in profit or loss as and when they occurred. While the Group believes that its assumptions are reasonable and appropriate, significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. The carrying amount of employee benefit liabilities as at 31 December 2015 amounts to $30,960,000 (2014 – $25,672,000).

If the discount rate decreases by 1% from management's estimates, the present value of the pension and employee benefits obligation will be increased by $1,220,000 (2014 – $949,000).

(b) Depreciation of property, plant and equipment (Note 4)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 1 to 80 years. Changes in the expected level of usage and technological development could impact the economic useful lives and residual values of these assets, therefore future depreciation charges could be revised.

The carrying amounts of the Company's and the Group's property, plant and equipment as at 31 December 2015 are $34,000 (2014 – $59,000) and $639,866,000 (2014 – $676,393,000) respectively. If the depreciation of the property, plant and equipment increases/decreases by 10%, the Group's profit for the year will decrease/increase by $8,660,000 (2014 – $8,389,000).

(c) Amortisation of intangible assets (Note 3)

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those with finite useful lives. Management estimates the useful lives of these intangible assets to be within 3 to 20 years. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to impairment testing if there are any indicators of impairment. Indefinite life intangibles are subject to annual impairment testing.

Intangibles assets are written off where, in the opinion of the management, no further economic benefits are expected to arise. The carrying value of the Company's and the Group's intangible assets, exclude goodwill, as at 31 December 2015 are $171,000 (2014 – $261,000) and $281,505,000 (2014 – $297,852,000) respectively. If the amortisation of intangible assets increases/decreases by 10%, the Group's profit for the year will decrease/increase by $1,641,000 (2014 – $1,640,000).

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(d) Depreciation of investment properties (Note 5)

Investment properties are accounted for using the cost model and are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of these investment properties to be within 3 to 30 years. The carrying value of the investment properties are reviewed when events or changes in circumstances indicate the carrying value may not be recoverable.

The carrying value of the Group's investment properties as at 31 December 2015 is $183,984,000 (2014 – $164,675,000). If the depreciation of the investment properties increase/decrease by 10%, the Group's profit for the year will decrease/increase by $2,303,000 (2014 – $2,256,000).

(e) Fair value of financial instruments

The Group carries certain financial assets and liabilities at fair value. Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of the mathematical models. The input to these models are derived from observable market data where possible. Where observable data are not available, judgement are required to establish the fair value. The judgement includes considerations of liquidity and model inputs such as volatility and discount rate, prepayment rates and default rate assumptions, which fair value would differ if the Group utilised different valuation methodology. Any changes in fair values of these financial assets and liabilities would affect directly the Group's profit or loss.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(e) Fair value of financial instruments (Cont'd)

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring the fair values is included in the following note:

- Note 23 – Derivative financial instruments

The carrying amount of the Group's derivative financial assets as at 31 December 2015 is $32,325,000 (2014 – $17,030,000) and the carrying amounts of the Company's and the Group's derivative financial liabilities as at 31 December 2015 are $3,286,000 (2014 – $2,683,000) and $3,286,000 (2014 – $45,067,000) respectively. If the fair value of the Group's derivative financial assets and the Company's and the Group's derivative financial liabilities increase/decrease by 10%, the Group's profit for the year will decrease/increase by $329,000 (2014 – $268,000) and the Group's other comprehensive income for the year will increase/decrease by $3,233,000 (2014 – $1,685,000).

(f) Allowance for decline in market values and obsolescence of inventories (Notes 11 & 12)

Allowance for decline in market values and obsolescence of inventories is estimated based on the best available facts and circumstances including but not limited to the inventories' own physical conditions, their market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. The provision are re-evaluated and adjusted as additional information received affects the amount estimated.

If the net realisable value of the inventories decreases by 10% from management's estimates, the Group's profit will decrease by $194,000 (2014 – $215,000). The carrying amounts of land inventories and other inventories as at 31 December 2015 are $630,027,000 (2014 – $609,798,000) and $298,605,000 (2014 – $366,510,000) respectively.

(g) Impairment of goodwill (Note 3)

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. The assessment of impairment of goodwill was determined based on the recoverable amount of the Group's cash-generating units ("CGU") according to business segments. The recoverable amount of the CGU is determined based on value-in-use calculation.

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(g) Impairment of goodwill (Note 3) (Cont'd)

This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period and use of estimates (Note 3). The carrying amount of goodwill as at 31 December 2015 amounts to $486,582,000 (2014 – $486,582,000).

(h) Land inventories (Note 11)

The net realisable value for land inventories are estimated based primarily on the latest selling prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of the land inventories.

If the net realisable value of land inventories decrease by 10% from management's estimates, there will be no impact in the carrying value of the land inventories.

(i) Impairment in investment in subsidiaries and associates (Notes 6 and 7)

Determining whether investments in subsidiaries and associates are impaired requires an estimation of the value-in-use of that investment. The value-in-use calculation requires the Company and the Group to estimate the future cash flows expected from the cash generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investments based on such estimates. If the present value of estimated future cash flows decreased by 1% from management estimates, it is not likely to materially affect the carrying amount. The carrying amount of the investment in subsidiaries and associates are disclosed in Notes 6 and 7 to the financial statements.

2(b) Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Group adopted the amended FRSs that are mandatory for application from that date. This includes the following FRSs which are relevant to the Group:

Reference	**Description**
Amendments to FRS 19	Defined Benefit Plan: Employee Contributions
Improvements to FRSs (January 2014)	
– FRS 24	Related Party Transactions
– FRS 108	Operating Segment
Improvements to FRSs (February 2014)	
– FRS 40	Investment Property
– FRS 113	Fair Value Measurement

2(b) Interpretations and amendments to published standards effective in 2015 (Cont'd)

The directors do not anticipate that the above FRSs in current year will have a material impact on the financial statements of the Group in the period of their initial adopted except for the following:

Amendments to FRS 19 Defined Benefit Plan: Employee Contributions

The amendments permit contributions that are independent of the number of years of service to be recognised as a reduction in the service in the period in which the service is rendered, instead of allocating the contributions to period of service. Other contributions by employees or third parties that are not solely linked to current year service are required to be attributed to period of service either using the plan's contribution formula or on a straight-line basis.

There is no significant impact on the financial statements when applied in.

Improvements to FRSs (January 2014) FRS 24 Related Party Disclosures

Improvements to FRSs (January 2014) FRS 24 Related Party Disclosures clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The improvements to FRSs (January 2015) FRS 24 Related Party Disclosures are effective from annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Company and the Group when implemented.

Improvements to FRS (January 2014) FRS 108 Operating Segments

The Improvements to FRSs (January 2014) FRS 108 Operating Segments clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. In addition, the entity is required to disclose the judgements made by management in applying the aggregation criteria to operating segments. The improvements to FRSs (January 2014) FRS 108 Operating Segments are effective from annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group when applied in.

Improvements to FRS (February 2014) FRS 40 Investment Property

FRS 40 Investment Property has been amended to clarify that an entity should assess whether an acquired property is an investment property under FRS 40 and perform a separate assessment under FRS 103 Business Combination to determine whether the acquisition of the investment property constitutes a business combination. The Group has used judgement to determine whether the acquisition of an investment property is an acquisition of a business under FRS 103 (Note 7).

2(b) Interpretations and amendments to published standards effective in 2015 (Cont'd)

Improvements to FRS (February 2014) FRS 113 Fair Value Measurement

The Improvements to FRSs (February 2014) FRS 113 Fair Value Measurement clarifies that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, FRS 39, even if those contracts do not meet the definitions of financial assets or financial liabilities within FRS 32.

There is no significant impact on the financial statements when applied in.

2(c) FRS not yet effective

The following are the new or amended FRS and INT FRS issued that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 1	Presentation of Financial Statements	1 January 2016
Improvements to FRSs (November 2014)		
– FRS 19	Employee Benefits	1 January 2016
– FRS 107	Financial Instruments: Disclosure	1 January 2016
Amendments to FRS 7	Statements of Cash Flows	1 January 2017
FRS 115	Revenue from Contracts with Customers	1 January 2018
Clarifications to FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 116	Leases	1 January 2019
Amendments to FRS 40	Transfers of Investment Property	1 January 2018
INT FRS 122	Foreign Currency Transactions and Advance Considerations	1 January 2018

The directors do not anticipate that the adoptions of the above FRSs in future periods will have a material impact on the financial statements of the Group in the period of their initial adoption except as follows:–

2(c) FRS not yet effective (Cont'd)

FRS 115 Revenue from Contracts with Customers

FRS 115 Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard replaces FRS 11 Construction Contracts, FRS 18 Revenue, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreements for Construction of Real Estate, INT FRS 118 Transfer of Assets from Customers and INT FRS 31 Revenue – Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into scope of other standards.

FRS 115 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the financial statements.

Amendments to FRS 1 Presentation of Financial Statements

The amendments to FRS 1 Presentation of Financial Statements clarify that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the judgement in determining where and in what order information is presented in the financial disclosures.

As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Company and the Group when applicable.

Amendments to FRS 7 Statements of Cash Flows

The amendments clarify that cash flows arising from financial activities as reported in the statement of cash flows, excluding contributed equity, need to be reconciled to the corresponding liabilities in the opening and closing statements of financial position. Additional disclosures are required about information that is relevant to an understanding of the liquidity of a company. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Company and the Group when applicable.

Clarifications to FRS 115 Revenue from Contracts with Customers

The amendments clarify how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract

2(c) FRS not yet effective (Cont'd)

Clarifications to FRS 115 Revenue from Contracts with Customers (Cont'd)

- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided)

- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as the Standard, FRS 115, i.e. on 1 January 2018.

FRS 109 Financial Instruments

FRS 109 Financial Instruments replaces the FRS 39 and it is a package of improvements introduced by FRS 109 which include a logical model for:

- Classification and measurement;

- A single, forward – looking "expected loss" impairment model and

- A substantially reformed approach to hedge accounting

FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the consolidated financial statements.

FRS 116 Leases

FRS 116 Leases replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 Leases that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required for lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. FRS 116 Leases will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the company has adopted FRS 115. The Group is currently assessing the impact to the consolidated financial statements.

INT FRS 122 Foreign Currency Transactions and Advance Consideration

This Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. The Group is currently assessing the impact to the consolidated financial statements.

2(d) Significant accounting policies

(i) Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;

– de-recognises the carrying amount of any non-controlling interest;

– de-recognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss;

– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2(d) Significant accounting policies (Cont'd)

(i) Consolidation (Cont'd)

Thus, the Group controls an investee if and only if the Group has all of the following:

– power over the investee;

– exposure, or rights to variable returns from its involvement with the investee; and

– the ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

– the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

– potential voting rights held by the Group, other vote holders or other parties;

– rights arising from other contractual arrangements; and

– any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or

2(d) Significant accounting policies (Cont'd)

(i) Consolidation (Cont'd)

transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Transactions with Non-Controlling Interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(ii) Intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing, if there are any indicators of impairment. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the Directors, no further future economic benefits are expected to arise.

a. Goodwill

Goodwill on acquisition of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

2(d) Significant accounting policies (Cont'd)

(ii) Intangible assets (Cont'd)

a. Goodwill (Cont'd)

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

b. Dealerships and distributorships

Dealerships and distributorships are amortised on straight-line basis over their useful life of 20 years.

c. Computer software

Costs relating to computer software acquired, which are not an integral part of related hardware, are capitalised and amortised on a straight-line basis over their useful life of 3 years.

(iii) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

	Years
Leasehold land	15 – 80
Land improvements	20
Landfill	3
Building and infrastructures	3 – 30
Golf course	36 – 45
Utilities plant and machinery	3 – 30
Machinery and equipment	3 – 15
Vessels and ferry equipment	4 – 15
Working wharf	3
Transportation equipment and vehicles	3 – 8
Medical equipment	7
Furniture, fixtures and equipment	1 – 10
Office equipment	2 – 5
Resort equipment	3 – 5
Reservoir	30
Telecommunication equipment	10 – 30
Leasehold improvements	5

2(d) Significant accounting policies (Cont'd)

(iii) <u>Property, plant and equipment and depreciation</u> (Cont'd)

Construction-in-progress is stated at cost. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the construction is substantially completed and the asset is ready for its intended use. No depreciation is provided on construction-in-progress.

Costs incurred in the general overhaul of the main engines of vessels during dry docking are capitalised and depreciated over 3 to 5 years.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the year of acquisition and to the year before disposal respectively. For acquisitions less than $1,000, they are expended as expenses in the profit or loss. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

(iv) <u>Investment properties</u>

Investment properties consist of buildings and improvements that are held to earn rental yields, including portions of buildings which could not be sold separately, and where an insignificant portion is held for use in the supply of services or for administrative purposes.

The Group applies the cost model. Investment properties are stated at cost less accumulated depreciation, less any impairment in value similar to that for property, plant and equipment. Such costs include the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is computed using the straight-line method over the estimated useful lives of the investment properties of 3 – 30 years, as applicable for each investment property.

2(d) Significant accounting policies (Cont'd)

(iv) Investment properties (Cont'd)

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in the profit or loss.

The carrying value of investment properties are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from the investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

(v) Investment in subsidiaries

In the Company's separate financial statements, shares in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

(vi) Investment in associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group account for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment.

2(d) Significant accounting policies (Cont'd)

(vi) Investment in associates (Cont'd)

Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and loss resulting from transaction between the Group and the associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared as of the same reporting date as the Company unless it is impracticable to do so. When the financial statements of an associate used in applying the equity method are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company.

Upon loss of significant influence or joint control over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2(d) Significant accounting policies (Cont'd)

(vii) Land inventories

Land inventories are carried at the lower of cost and net realisable value. Cost of land inventories is computed using the weighted average cost method. Net realisable value represents the estimated selling price less costs to be incurred in selling the land.

Cost of land inventories includes cost of land, borrowing costs and other costs directly or indirectly related to the acquisition and development of the land for sale. These costs are capitalised during the period when such activities that are necessary to get these assets ready for sale are in progress. Capitalisation of these costs will cease when land development is completed and the land is available-for-sale.

The costs incurred in the development of the resort and common areas/facilities are allocated proportionally to the saleable parcels of land. Other land development costs incurred are allocated to each parcel of land using the specific identification method.

Land inventories are de-recognised when it has been sold as an integral part with sale of land and no future economic benefit is expected from its disposal. Cost of land infrastructure inventory on sale of land or loss from disposal is recognised in the profit or loss in the year of sale or disposal.

(viii) Other inventories

Other inventories are stated at the lower of cost and net realisable value. Cost is generally determined on a first-in, first-out basis, specific identification and average methods. The cost of finished goods and work in progress comprises goods held for resale, raw materials, labour and an appropriate portion of overheads. Allowance is made for obsolete, slow moving or defective inventory in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(ix) Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired and contractual terms. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date – the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

2(d) Significant accounting policies (Cont'd)

(ix) Financial assets (Cont'd)

De-recognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment of impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company and the Group currently have legally enforceable rights to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The Group does not have investments to be designated as fair value through profit or loss and held-to-maturity financial assets.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables include financing receivables, loans and notes receivables, trade and other receivables, and cash and bank balances. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write-back is recognised in profit or loss.

2(d) Significant accounting policies (Cont'd)

(ix) Financial assets (Cont'd)

(b) Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in other comprehensive income, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income is included in the profit or loss for the year.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in other comprehensive income shall be removed from the other comprehensive income and recognised in the profit or loss even though the financial asset has not been de-recognised.

The amount of the cumulative loss that is removed from other comprehensive income and recognised in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed in profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment losses recognised in a previous interim period in respect of available-for-sale equity investments are not reversed even if the impairment losses would have been reduced or avoided had the impairment assessment been made at a subsequent reporting period or end of the reporting period.

The Group's available-for-sale financial assets are shown in Note 37.

2(d) Significant accounting policies (Cont'd)

(ix) Financial assets (Cont'd)

(c) Determination of fair value

The fair values of quoted financial assets are based on quoted market prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. Where fair value of unquoted instruments cannot be measured reliably, the instrument is measured at cost less any allowance for impairment.

(x) Financing receivables

(a) Consumer financing receivables

Consumer financing receivables are presented net of amounts financed by banks relating to the cooperation transactions of loan channelling, unearned consumer financing income and allowance for impairment loss on consumer financing receivables.

Based on the consumer joint financing agreements (without recourse), the Group only presents the portion of the total instalments receivable financing by the subsidiaries (net approach). The consumer financing income is presented net of amounts of the banks' rights on such income relating to the transactions.

For consumer joint financing, receivable take over and channelling agreements (with recourse), consumer financing receivables represent all customers' instalments and the total facilities financed by creditors are recorded as liability (gross approach). Interest earned from customers is recorded as part of consumer financing income, while interest charged by the creditors is recorded as part of financing charges.

Unearned income on consumer financing, which is the excess of the aggregate instalment payments to be received from the consumers over the principal amount financed, plus or deducted with the financing process administration fees or expenses, is recognised as income over the term of the respective agreement using effective interest rate method.

The Group does not recognise consumer financing income contract on receivables that are overdue more than three months. The interest income previously recognised during three (3) months but not yet collected is reversed against interest income. Such income is recognised only when the overdue receivable is collected.

2(d) Significant accounting policies (Cont'd)

(x) Financing receivables (Cont'd)

(b) Net investment in financing leases

Net investment in financing leases represents financing lease receivables plus the guaranteed residual value at the end of the lease period and net of unearned financing lease income, security deposits and allowances for impairment losses. The difference between gross lease receivables and the present value of the lease receivable is recognised as unearned financing lease income.

Unearned financing lease income is recognised as financing lease income based on a constant rate on the net investment using effective interest rate.

(xi) Foreclosed assets

Foreclosed assets acquired in conjunction with settlement of consumer financing receivables are stated at the lower of related consumer financing receivables' carrying value or net realisable value of foreclosed assets. The difference between the carrying value and the net realisable value recorded as part of allowance for impairment losses and loss on foreclosed assets and is recognised in profit or loss.

In case of default, the customer gives the right to the Group to sell the foreclosed assets or take any other actions to settle the outstanding receivables. Customers are entitled to the positive differences between the proceeds from sales of foreclosed assets and the outstanding consumer financing receivables. If the differences are negative, the resulting losses are recognised in profit or loss.

(xii) Golf membership

Golf membership is measured initially at cost. Subsequent to initial recognition, golf membership is stated at cost less any accumulated impairment losses. The carrying value of golf membership is reviewed annually for impairment when an indicator of impairment arises during the reported period indicating that the carrying value may not be recoverable.

The golf membership is assessed as having indefinite life and there is no foreseeable limit to the period over which the memberships are expected to generate cash to the Group. The golf membership is tested for impairment and carried at cost less accumulated impairment loss.

(xiii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in bank, short term deposits and other short-term investments with maturities of three months or less at the time of placement or purchase that are subject to insignificant risk of changes in their fair value and are used by the Group in the management of its short term commitment.

2(d) Significant accounting policies (Cont'd)

(xiv) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(xv) Financial liabilities

The Group's financial liabilities include loans and borrowings, debt securities (including bond), consumer financing, obligations under finance lease and trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance costs" in the profit or loss. Financial liabilities are amortised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company and the Group currently have legally enforceable rights to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowings and debt securities are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings and debt securities are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings and debt securities using the effective interest method. Interest expense is chargeable on the amortised cost over the period of the borrowings and debt securities using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are amortised as well as through the amortisation process.

Borrowings and debt securities which are due to be settled within 12 months after the end of reporting period are included in current liabilities in the statements of financial position even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of financial period. Borrowings and debt securities to be settled within the Group's normal operating cycle are classified as current. Other borrowings due to be settled more than 12 months after the end of reporting period are included in non-current liabilities in the statements of financial position.

2(d) Significant accounting policies (Cont'd)

(xv) Financial liabilities (Cont'd)

Convertible bonds

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in fair value of the bonds are accounted for as compound financial instruments. The gross proceeds are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instruments.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not re-measured. When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(xvi) Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. On the date a derivative contract is entered into, the Group designates certain derivatives as a hedge of a forecasted transaction or of the foreign currency risk on a firm commitment.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The Group uses derivative instruments, such as cross currency and interest rate swaps as part of its asset and liability management activities to manage exposures to foreign currency and interest rate. The Group applies cash flow hedge accounting when transactions meet the specified criteria for hedge accounting treatment.

2(d) Significant accounting policies (Cont'd)

(xvi) Derivative financial instruments and hedging activities (Cont'd)

Cash flow hedge

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in the hedging reserve, while the ineffective portion is recognised in the profit or loss.

Changes in the carrying amount of cash flow hedges are charged to the hedging reserve in other comprehensive income. Amounts accumulated in other comprehensive income are recycled to the profit or loss in the periods when the hedged item affects profit or loss. When the hedged transaction results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in other comprehensive income are transferred from other comprehensive income and included in the initial measurement of the cost of the asset or liability.

When a cash flow hedging instrument expires or sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in equity and is recognised when the forecast transactions is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss reported in other comprehensive income is immediately transferred to profit or loss.

Derivatives financial instruments not designated as hedging instruments

Derivative financial instruments are not designated as hedging instruments, in individual contracts or separated from hybrid financial instruments, are initially recognised at fair value on the date of the derivative contract is entered into and subsequently re-measured at fair value. Such derivative financial instruments are accounted for as financial assets or financial liabilities at fair value through profit or loss. Gains or losses arising from changes in fair value are recorded directly in profit or loss for the year.

(xvii) Leases

Where the Group is the Lessee,

Finance leases

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the lower of the fair values of the leased assets and the present value of the total minimum lease payments during the periods of the leases. The corresponding lease commitments are included under liabilities. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

2(d) Significant accounting policies (Cont'd)

(xvii) Leases (Cont'd)

Where the Group is the Lessee, (Cont'd)

Finance leases (Cont'd)

The leased assets are depreciated on a straight-line basis over their estimated useful lives as detailed in the accounting policy on "Property, plant and equipment".

Operating leases

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to the profit or loss when incurred.

Where the Group is the Lessor,

Finance leases

Where assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the lease term using the net investment method, which reflects a constant periodic rate of return.

Operating leases

Assets leased out under operating leases are included in investment properties and are stated at revalued amounts and not depreciated. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(xviii) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Based on Government Regulation of the Republic of Indonesia (RI) No. 71/2008 dated November 4, 2008, companies whose main activity is sales of land and buildings, is subject to final tax for each payment on sales of land and factory (including condominiums and cottages) starting January 1, 2009.

2(d) Significant accounting policies (Cont'd)

(xviii) Income tax (Cont'd)

Based on Government Regulation of RI No. 5/2002 dated March 23, 2002, each rental payment on the rental of buildings is subject to final tax of 10% from the gross rental amount starting May 1, 2002.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(xix) Employee benefits

Pension obligations

The Group participates in national pension schemes as defined by the laws of the countries in which it operates. As required by Indonesian Law, the Group makes contributions to the defined contributions state pension scheme, Jamsostek contributions, which are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

2(d) Significant accounting policies (Cont'd)

(xix) Employee benefits (Cont'd)

Pension obligations (Cont'd)

The ASTEK fund from Jamsostek contributions is responsible for the entire insurance claim relating to accidents incurred by the employees at the work place and for the entire retirement benefit obligations of the related employees under the said state pension scheme.

The Group also makes contributions to a defined contribution pension plan which is administered by legal entity, "Dana Pensiun Lembaga Keuangan Indolife Pensiontama" and "Dana Pensiun Indomobil Group" for certain employees. The contributions are recognised as an expense in the same period as the employment that gives rise to the contributions.

The Company and its subsidiaries operating in Singapore contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to the national pension scheme are charged to the profit or loss in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability for unconsumed leave as a result of services rendered by employees up to the reporting period.

Provisions for employee service entitlements

The Group has recognised unfunded employee benefits liability in accordance with Indonesian Labor Law No. 13/2003 dated 25 March 2003 ("the Law").

The calculation is performed annually by qualified actuarists using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

2(d) Significant accounting policies (Cont'd)

(xix) Employee benefits (Cont'd)

Provisions for employee service entitlements (Cont'd)

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors (and certain general managers) are considered key management personnel.

(xx) Impairment of non-financial assets

The carrying amounts of the Company's and Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill or other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount represents the value-in-use based on an internal discounted cash flow calculation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

2(d) Significant accounting policies (Cont'd)

(xx) Impairment of non-financial assets (Cont'd)

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued assets was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

(xxi) Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company and the Group if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or the Group or of a parent of the Company.

2(d) Significant accounting policies (Cont'd)

(xxi) Related parties (Cont'd)

(b) An entity is related to the Company and the Group if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(xxii) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and when specific criteria have been met for each of the Group's activities as described below:

(a) Sales of goods

Revenue from sales arising from physical delivery of the Group's products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincide with their delivery and acceptance.

2(d) Significant accounting policies (Cont'd)

(xxii) Revenue recognition (Cont'd)

(b) Sales of land and factory

Revenue from the sale of land and factory is recognised when all the following conditions have been satisfied:

- The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the enterprise; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group also considers:

- Commitment on delivery of key infrastructure to the sale site such that the buyer is able to access the land and commence construction.
- The means of payment and evidence of the buyer's commitment to complete payment, for example, when the aggregate of the payments received, including the buyer's initial down payment, or continuing payments by the buyer, provide insufficient evidence of the buyer's commitment to complete payment.

If the above conditions are not met, the payments received are accounted for under the deposit method.

(c) Financial Services

Revenue from financial services is recognised over the term of the respective contracts based on a constant rate of return on the net investment.

(d) Rendering of services

Revenue from a contract to provide installation is recognised by reference to the stage of completion of the contract.

(e) Resort operations and ferry services

Revenue is recognised when the services are rendered.

2(d) Significant accounting policies (Cont'd)

(xxii) Revenue recognition (Cont'd)

(f) Golf and social facilities revenue

Revenue from golf and social facilities is recognised as goods are delivered or services rendered. Revenue from golf subscription fees is recognised over the period of the subscription.

(g) Rental income and rendering of service and maintenance

Revenue from rental, service and maintenance charges is recognised proportionately over the lease term. The aggregate cost of any incentives as a reduction of rental income is recognised proportionately over the lease term. Rental payments received in advance are recorded as unearned income and amortised proportionately over the lease term using the straight-line method. Deposits received from tenants are recorded as part of other current liabilities.

(h) Telecommunication service

Revenue from telecommunication services is recognised on the accrual basis. Revenue from telecommunication installation services is recognised at the time the installations are placed in service. Revenue from network interconnection with other domestic telecommunication carriers are recognised at the time connections takes place.

(i) Clinic operation

Income from clinic operation is recognised when medical services are rendered or when medical supplies are delivered to patients.

(j) Utilities revenue

Revenue from electricity and water supply is recognised upon delivery.

(k) Interest income

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

(l) Dividends

Dividend income is recognised when the shareholders' right to receive the payment is established.

2(d) Significant accounting policies (Cont'd)

(xxiii) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the related asset. Otherwise, borrowing costs are recognised as expenses when incurred. Borrowing costs consist of interests and other financing charges that the Group incurs in connection with the borrowing of funds.

Capitalisation of borrowing costs commences when the activities to prepare the qualifying asset for its intended use are in progress and the expenditures for the qualifying asset and the borrowing costs have been incurred. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets are substantially completed for their intended use.

Foreign exchange differences arising from foreign currency borrowings are capitalised to the extent that they are regarded as an adjustment to interest costs.

(xxiv) Bond issuance costs

Costs incurred in connection with the issuance of bonds by the Group were deferred and are being amortised using the effective interest rate method over the term of the bonds.

The balance of deferred bonds issuance costs is presented as a deduction from the outstanding bonds payable.

(xxv) Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Company and the Group are presented in Singapore dollars, which is also the functional currency of the Company.

(xxvi) Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in the profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designed and qualifying as net investment hedged and net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

2(d) Significant accounting policies (Cont'd)

(xxvi) <u>Conversion of foreign currencies</u> (Cont'd)

<u>Transactions and balances</u> (Cont'd)

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within "finance cost". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

<u>Group entities</u>

The results and financial position of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(ii) Income and expenses for each statements presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and

(ii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

(xxvii) <u>Operating segments</u>

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segment under their charge. The segment managers are directly accountable to their chief executive officer who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

3 Intangible assets

The Company	**Computer software $'000**	**Total $'000**
Cost		
At 1 January 2014	477	477
Additions	12	12
At 31 December 2014	**489**	**489**
Additions	**53**	**53**
At 31 December 2015	**542**	**542**
Accumulated amortisation		
At 1 January 2014	98	98
Amortisation for the year	130	130
At 31 December 2014	**228**	**228**
Amortisation for the year	**143**	**143**
At 31 December 2015	**371**	**371**
Net book value		
At 31 December 2015	**171**	**171**
At 31 December 2014	261	261

The Group	**Goodwill $'000**	**Dealerships and distributorships $'000**	**Computer software $'000**	**Total $'000**
Cost				
At 1 January 2014	486,582	324,546	1,553	812,681
Additions	–	–	81	81
At 31 December 2014	**486,582**	**324,546**	**1,634**	**812,762**
Additions	**–**	**–**	**61**	**61**
Disposal	**–**	**–**	**(22)**	**(22)**
At 31 December 2015	**486,582**	**324,546**	**1,673**	**812,801**
Accumulated amortisation				
At 1 January 2014	–	10,818	1,106	11,924
Amortisation for the year	–	16,227	177	16,404
At 31 December 2014	**–**	**27,045**	**1,283**	**28,328**
Amortisation for the year	**–**	**16,227**	**181**	**16,408**
Disposal	**–**	**–**	**(22)**	**(22)**
At 31 December 2015	**–**	**43,272**	**1,442**	**44,714**
Net book value				
At 31 December 2015	**486,582**	**281,274**	**231**	**768,087**
At 31 December 2014	486,582	297,501	351	784,434

3 Intangible assets (Cont'd)

a. Goodwill

Impairment test for Goodwill

For the purpose of goodwill impairment testing, the carrying amount of goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segments.

A segment-level summary of the goodwill allocation is as follows:–

The Group	**2015** **$'000**	**2014** **$'000**
Resort operations	**1,164**	1,164
Property Development	**1,960**	1,960
Automotive	**483,458**	483,458
At 31 December 2015	**486,582**	486,582

The recoverable amount of a CGU was determined based on value-in-use calculation. The value-in-use calculation is a discounted cash flow model using cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond five-year period were extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations:

		2015	
	Resort operations	**Property development**	**Automotive**
Gross margin[(1)]	**49.37%**	**30.59%**	**16.43%**
Growth rate[(2)]	**3.50%**	**4.00%**	**4.00%**
Discount rate[(3)]	**11.20%**	**12.28%**	**12.19%**

		2014	
	Resort operations	**Property development**	**Automotive**
Gross margin[(1)]	29.31%	21.98%	15.74%
Growth rate[(2)]	5.00%	3.50%	4.50%
Discount rate[(3)]	7.93%	6.11%	5.46%

(1) Budgeted gross margin

(2) Weighted average growth rate used to extrapolate cash flows beyond the budgeted period

(3) Pre-tax discount rate applied to the pre-tax cash flows projections

3 Intangible assets (Cont'd)

a. Goodwill (Cont'd)

Impairment test for Goodwill (Cont'd)

These assumptions were used for the analysis of each CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations of the market development. The weighted average growth rates reflected management's forecast relating to the relevant segments. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

The Group believes that a decrease in the growth margin by 1% or a decrease in the growth rate by 1% used in the above assumptions are not likely to materially cause the recoverable amounts to be lower than the carrying amounts for all the three CGUs.

b. Amortisation expense included in the profit or loss is analysed as follows:

The Group	**2015 $'000**	**2014 $'000**
General and administrative expenses	**16,408**	16,404
	16,408	16,404

4 Property, plant and equipment

The Company	**Furniture fixtures and equipment $'000**	**Office equipment $'000**	**Leasehold improvements $'000**	**Total $'000**
Cost				
At 1 January 2014	82	186	357	625
Additions	–	50	–	50
Disposals	–	(5)	–	(5)
At 31 December 2014	**82**	**231**	**357**	**670**
Additions	**6**	**9**	**–**	**15**
Disposals	**–**	**(1)**	**–**	**(1)**
Reclassifications	**3**	**(3)**	**–**	**–**
At 31 December 2015	**91**	**236**	**357**	**684**

4 Property, plant and equipment (Cont'd)

The Company	Furniture fixtures and equipment $'000	Office equipment $'000	Leasehold improvements $'000	Total $'000
Accumulated depreciation				
At 1 January 2014	61	166	350	577
Depreciation for the year	7	25	7	39
Disposals	–	(5)	–	(5)
At 31 December 2014	**68**	**186**	**357**	**611**
Depreciation for the year	**8**	**32**	**–**	**40**
Disposals	**–**	**(1)**	**–**	**(1)**
At 31 December 2015	**76**	**217**	**357**	**650**
Net book value				
At 31 December 2015	**15**	**19**	**–**	**34**
At 31 December 2014	14	45	–	59

The Group	Balance at 1.1.2015 $'000	Exchange translation difference $'000	Additions $'000	Reclassification/ transfers $'000	Disposals $'000	Balance at 31.12.2015 $'000
Cost						
Leasehold land	**245,877**	**6,232**	**3,468**	**(48,323)**	**(1,607)**	**205,647**
Land improvements	**5,176**	**–**	**–**	**–**	**–**	**5,176**
Landfill	**4,242**	**–**	**–**	**–**	**–**	**4,242**
Building and infrastructures	**310,055**	**7,824**	**17,693**	**15,332**	**(4,987)**	**345,917**
Golf course	**25,307**	**–**	**–**	**–**	**–**	**25,307**
Utilities plant and machinery	**308,890**	**–**	**1,002**	**1,088**	**(3)**	**310,977**
Machinery and equipment	**193,689**	**11,646**	**5,060**	**(13,973)**	**(1,237)**	**195,185**
Vessels and ferry equipment	**53,748**	**–**	**2,023**	**1,027**	**(87)**	**56,711**
Working wharf	**1,685**	**–**	**–**	**–**	**–**	**1,685**
Transportation equipment and vehicles	**212,583**	**(6,372)**	**7,064**	**16,328**	**(6,557)**	**223,046**
Medical equipment	**819**	**–**	**5**	**87**	**–**	**911**
Furniture, fixtures and equipment	**27,094**	**(37)**	**1,048**	**(2,301)**	**(228)**	**25,576**
Office equipment	**59,301**	**(1,012)**	**5,310**	**(346)**	**(670)**	**62,583**
Resort equipment	**2,466**	**–**	**120**	**1**	**(128)**	**2,459**
Reservoir	**9,713**	**–**	**8**	**–**	**–**	**9,721**
Telecommunication equipment	**10,925**	**(281)**	**415**	**–**	**–**	**11,059**
Leasehold improvements	**12,862**	**1,284**	**21**	**8,600**	**–**	**22,767**
Construction-in-progress	**21,876**	**(4,290)**	**67,535**	**(48,933)**	**(5,730)**	**30,458**
Total	**1,506,308**	**14,994**	**110,772**	**(71,413)**	**(21,234)**	**1,539,427**

4 Property, plant and equipment (Cont'd)

The Group	Balance at 1.1.2015 $'000	Exchange translation difference $'000	Depreciation for the year $'000	Reclassification/ transfers $'000	Disposals $'000	Balance at 31.12.2015 $'000
Accumulated depreciation						
Leasehold land	95,615	(1,788)	5,354	(7,653)	–	91,528
Land improvements	4,238	–	248	–	–	4,486
Landfill	2,392	–	288	–	–	2,680
Building and infrastructures	203,714	4,170	16,198	2,012	(1,611)	224,483
Golf course	11,390	–	544	–	–	11,934
Utilities plant and machinery	248,219	–	10,114	(820)	(3)	257,510
Machinery and equipment	93,372	2,485	10,611	3,586	(1,189)	108,865
Vessels and ferry equipment	30,755	–	2,675	–	(82)	33,348
Working wharf	1,685	–	–	–	–	1,685
Transportation equipment and vehicles	64,725	(1,513)	27,526	(13,371)	(4,161)	73,206
Medical equipment	767	–	17	87	–	871
Furniture, fixtures and equipment	21,552	(25)	1,174	78	(177)	22,602
Office equipment	30,963	(167)	8,924	1,038	(518)	40,240
Resort equipment	2,321	–	71	–	(128)	2,264
Reservoir	6,184	–	353	–	–	6,537
Telecommunication equipment	7,402	(237)	580	–	–	7,745
Leasehold improvements	4,621	325	1,924	1,804	903	9,577
Total	829,915	3,250	86,601	(13,239)	(6,966)	899,561

4 Property, plant and equipment (Cont'd)

The Group	Balance at 31.12.2015 $'000	Balance at 1.1.2015 $'000
Net book value		
Leasehold land	**114,119**	150,262
Land improvements	**690**	938
Landfill	**1,562**	1,850
Building and infrastructures	**121,434**	106,341
Golf course	**13,373**	13,917
Utilities plant and machinery	**53,467**	60,671
Machinery and equipment	**86,320**	100,317
Vessels and ferry equipment	**23,363**	22,993
Working wharf	**–**	–
Transportation equipment and vehicles	**149,840**	147,858
Medical equipment	**40**	52
Furniture, fixtures and equipment	**2,974**	5,542
Office equipment	**22,343**	28,338
Resort equipment	**195**	145
Reservoir	**3,184**	3,529
Telecommunication equipment	**3,314**	3,523
Leasehold improvements	**13,190**	8,241
Construction-in-progress	**30,458**	21,876
Total	**639,866**	676,393

4 Property, plant and equipment (Cont'd)

The Group	Balance at 1.1.2014 $'000	Exchange translation difference $'000	Additions $'000	Reclassification/ transfers $'000	Disposals $'000	Balance at 31.12.2014 $'000
Cost						
Leasehold land	205,925	3,884	41,719	2,453	(8,104)	245,877
Land improvements	5,176	–	–	–	–	5,176
Landfill	4,242	–	–	–	–	4,242
Building and infrastructures	286,692	1,744	14,488	8,213	(1,082)	310,055
Golf course	25,307	–	–	–	–	25,307
Utilities plant and machinery	308,744	–	360	76	(290)	308,890
Machinery and equipment	149,546	3,166	26,420	16,514	(1,957)	193,689
Vessels and ferry equipment	52,630	–	2,294	–	(1,176)	53,748
Working wharf	1,685	–	–	–	–	1,685
Transportation equipment and vehicles	186,101	4,217	9,651	19,620	(7,006)	212,583
Medical equipment	819	–	–	–	–	819
Furniture, fixtures and equipment	26,389	9	740	38	(82)	27,094
Office equipment	53,370	1,526	5,245	190	(1,030)	59,301
Resort equipment	2,417	–	23	46	(20)	2,466
Reservoir	9,713	–	–	–	–	9,713
Telecommunication equipment	10,590	131	204	–	–	10,925
Leasehold improvements	8,998	894	707	2,548	(285)	12,862
Construction-in-progress	25,823	(1,667)	78,637	(75,540)	(5,377)	21,876
Total	1,364,167	13,904	180,488	(25,842)	(26,409)	1,506,308

The Group	Balance at 1.1.2014 $'000	Exchange translation difference $'000	Depreciation for the year $'000	Reclassification/ transfers $'000	Disposals $'000	Balance at 31.12.2014 $'000
Accumulated depreciation						
Leasehold land	88,696	1,185	6,038	(272)	(32)	95,615
Land improvements	3,990	–	248	–	–	4,238
Landfill	2,104	–	288	–	–	2,392
Building and infrastructures	187,679	566	15,603	(3)	(131)	203,714
Golf course	10,846	–	544	–	–	11,390
Utilities plant and machinery	237,665	–	10,844	–	(290)	248,219
Machinery and equipment	84,870	1,475	8,764	(59)	(1,678)	93,372
Vessels and ferry equipment	29,138	–	2,789	–	(1,172)	30,755
Working wharf	1,685	–	–	–	–	1,685
Transportation equipment and vehicles	51,477	1,221	27,025	(10,702)	(4,296)	64,725
Medical equipment	751	–	16	–	–	767
Furniture, fixtures and equipment	20,509	8	1,116	–	(81)	21,552
Office equipment	22,775	452	8,611	30	(905)	30,963
Resort equipment	2,289	–	52	–	(20)	2,321
Reservoir	5,831	–	353	–	–	6,184
Telecommunication equipment	6,832	89	481	–	–	7,402
Leasehold improvements	3,359	130	1,121	59	(48)	4,621
Total	760,496	5,126	83,893	(10,947)	(8,653)	829,915

4 Property, plant and equipment (Cont'd)

The Group	Balance at 31.12.2014 $'000	Balance on 1.1.2014 $'000
Net book value		
Leasehold land	150,262	117,229
Land improvements	938	1,186
Landfill	1,850	2,138
Building and infrastructures	106,341	99,013
Golf course	13,917	14,461
Utilities plant and machinery	60,671	71,079
Machinery and equipment	100,317	64,676
Vessels and ferry equipment	22,993	23,492
Working wharf	–	–
Transportation equipment and vehicles	147,858	134,624
Medical equipment	52	68
Furniture, fixtures and equipment	5,542	5,880
Office equipment	28,338	30,595
Resort equipment	145	128
Reservoir	3,529	3,882
Telecommunication equipment	3,523	3,758
Leasehold improvements	8,241	5,639
Construction-in-progress	21,876	25,823
Total	676,393	603,671

Depreciation expense

	Note	The Company 2015 $'000	The Company 2014 $'000	The Group 2015 $'000	The Group 2014 $'000
Depreciation expense charged to:					
Profit or loss	28	**40**	39	**86,601**	83,893
		40	39	**86,601**	83,893

4 Property, plant and equipment (Cont'd)

(i) As at 31 December 2015, certain property, plant and equipment with carrying value totalling approximately $483,000,000 (2014 – $288,455,000) have been pledged as security to banks to secure borrowing and credit facilities for the Group (Note 17(i) and (iii)).

(ii) The carrying amount of transportation equipment and vehicles held under finance leases at 31 December 2015 amounted to $131,319,000 (2014 – $8,423,000) (Note 17(iv)).

The leasehold land on Bintan Island represents 1,676.72 ha used as site for utilities and common facilities under PT Bintan Resort Cakrawala.

The details of the leasehold land ("Hak Guna Bangunan"/"HGB") under PT Bintan Resort Cakrawala comprise the following:

HGB	Expiration date
Land parcels AU1	13 December 2023 (66 ha)
Land parcels BT1a	16 February 2025 (50.72 ha)
Land parcels WR1	16 February 2025 (1,560 ha)

The leasehold land and property ("Hak Guna Bangunan"/"HGB") at Batam Island, which are leased from Batam Industrial Development Authority, are held for 30 years up to the following expiration dates:

HGB	Expiration date
PT Batamindo Investment Cakrawala (256.86 ha)	17 and 18 December 2019 (54.35 ha and 174.21 ha), 26 February 2025 (26.8 ha) and 1 July 2031 (1.5 ha)
PT Batamindo Executive Village (193 ha)	31 August 2020

PT Bintan Inti Industrial Estate's HGB at Bintan Island is valid for 30 years up to the following expiration dates:

HGB	Expiration date
PT Bintan Inti Industrial Estate (245.41 ha excluding land sold)	24 August 2075 (235.89 ha) and 13 December 2023 (9.52 ha)

The Group obtained approval from *Badan Pertanahan Nasional* to renew its HGB title over those land parcels for 20 years and also for another 30 years if the land parcels were utilised in accordance with their zone functions based on Government Decree No. 40/1993 article 4.

4 Property, plant and equipment (Cont'd)

The details of the leasehold land ("Hak Guna Bangunan"/"HGB") under PT Indomobil Sukses Internasional Tbk and its subsidiaries comprise the following:

HGB	Expiration date
PT Indomobil Sukses Internasional Tbk. and its subsidiaries	26 July 2015 to 4 April 2044 (112.66 ha)

As at 31 December 2015, construction-in-progress at the Industrial Parks amounting to $8,842,000 (2014 – $1,725,000) includes all costs related to the construction of the industrial complex and supporting infrastructures and amenities. The accumulated costs will be transferred to the appropriate property and equipment and investment properties accounts upon completion.

As at 31 December 2015, construction-in-progress at the Executive Village amounting to $992,000 (2014 – $992,000) represents all preliminary costs related to the construction of condominium and for golf course such as design, soil investigation and consultation fee.

As at 31 December 2015, construction-in-progress of PT Indomobil Sukses Internasional Tbk and its subsidiaries amounting to $17,913,000 (2014 – $16,915,000) represents all preliminary costs related to the construction of buildings and improvement and vehicles.

The remaining balance of construction-in-progress represents mainly all preliminary costs related to the construction of urban beach centre in Bintan Island which amounted to $2,711,000 (2014 – $2,244,000).

5 Investment properties

The Group	**2015** **$'000**	**2014** **$'000**
Cost		
Balance at beginning of year	**572,062**	571,321
Additions	**2,440**	588
Transfer	**48,323**	153
Balance at end of year	**622,825**	572,062
Accumulated depreciation		
Balance at beginning of year	**407,387**	384,830
Depreciation for the year (Note 28)	**23,025**	22,557
Transfer	**8,429**	–
Balance at end of year	**438,841**	407,387
Net book value	**183,984**	164,675
Rental income (Note 28)	**28,621**	26,587
Direct operating expenses arising from investment property that generated rental income (Note 28)	**(27,878)**	(23,714)
Gross profit arising from investment properties	**743**	2,873

Investment properties of the Group are held mainly for use by tenants under operating leases.

5 Investment properties (Cont'd)

The following are the details of the investment properties of the Group:

Description and location	Gross Area (approximately)
Factories, dormitories, commercial complex and housing in Batamindo Industrial Park, Batamindo Executive Village and Bintan Inti Industrial Estate situated at Batam Island and Bintan Island	813,136 sqm
Office buildings situated in Jakarta	4,354 sqm

As of 31 December 2015, the fair value of the investment properties situated at Batam and Bintan Island of $467,143,000 (2014 – $459,194,000) was based on valuation using the income approach/cost approach by independent professional valuers, KJPP Rengganis, Hamid & Rekan after taking into consideration the prevailing market conditions and other factors considered appropriate by the Directors, except for PT Batamindo Executive Village (PT BEV)'s investment properties. The net carrying values of PT BEV's investment properties as of 31 December 2015 amounted to $224,000 (2014 – $269,000) which approximates fair value based on management's estimates.

As of 31 December 2015, the fair value of the investment properties situated in Jakarta of $93,263,000 (2014 – $Nil) was based on valuation using the market approach, discounted cash flow method and cost approach by independent professional valuers, KJPP Tri, Santi and Rekan.

6 Subsidiaries

The Company	2015 $'000	2014 $'000
– quoted equity securities	**1,328,805**	1,328,805
– unquoted equity securities	**1,207,876**	1,207,876
– unquoted equity securities – at deemed cost*	**–**	–
	2,536,681	2,536,681

* Please refer to Note 2(a) on significant judgement relating to the consolidation of MSL as a subsidiary by virtue of its contractual rights under the MSL Notes and MSL Warrants. MSL has been regarded as a subsidiary carried at its deemed cost of nil.

Management has determined that a subsidiary is considered material to the Group if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, and the Group's share of its revenue accounts for 10% or more of the Group's consolidated revenue.

6 Subsidiaries (Cont'd)

Details of the Group's material subsidiaries at the end of the reporting period are set out below:

Name	Place of incorporation/ and operation	Proposition of ownership interest and voting rights held by the Group		Principal activities
		2015 %	2014 %	
Held by the Company				
PT Indomobil Sukses Internasional Tbk ("PT IMAS")(1)	Indonesia	**71.49**	71.49	Investment holding
PT Batamindo Investment Cakrawala ("PT BIC")(2)	Indonesia	**99.99**	99.99	Development and management of industrial estate
Market Strength Limited(4)	British Virgin Islands	**99.99**	99.99	Investment holding
Held by Verizon Resorts Limited				
PT Buana Megawisatama ("PT BMW")(3)	Indonesia	**99.99**	99.99	Wholesaler of hotels, resorts and golf courses, resort development activities and business management consultancy

Notes:

(1) Audited by Purwantono, Suherman & Surja, a member firm of Ernst & Young Global Limited

(2) Audited by Kosasih, Nurdiyaman, Tjahjo & Rekan, a member firm of Crowe Horwath International

(3) Audited by Drs Johan Malonda Mustika & Rekan

(4) MSL is deemed to be a 99.99% owned subsidiary of the Company, by virtue of its contractual rights under the MSL Notes and MSL Warrants which give the Company power to direct MSL's relevant activities.

6 Subsidiaries (Cont'd)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Place of incorporation/and operation	Number of subsidiaries	
		2015	**2014**
Car rental	Indonesia	**4**	4
Data Processing	Indonesia	**1**	–
Development, operation and management of industrial park/resorts/residential/ country club	Indonesia	**5**	5
Distributor/dealership	Indonesia	**47**	47
Dormant	Singapore	**1**	1
Dormant	Indonesia	**–**	1
Financing	Indonesia	**1**	1
Investment holding	British Virgin Islands	**3**	4
Investment holding	Indonesia	**2**	2
Investment holding	Malaysia	**1**	1
Investment holding	Seychelles	**1**	1
Investment holding	Singapore	**1**	1
Logistic	Indonesia	**1**	1
Management and consultancy services	Indonesia	**2**	2
Management and consultancy services	Singapore	**2**	2
Manpower Service	Indonesia	**1**	–
Manufacturing/assembling	Indonesia	**2**	2
Mining and exploration	Indonesia	**1**	1
Plantation/Forestry contractor	Indonesia	**2**	2
Press and dies manufacturing	Indonesia	**2**	2
Provision of ferry services	Singapore	**1**	1
Rental and Building Management	Indonesia	**1**	–
Repair	Indonesia	**1**	–
Telecommunication services	Indonesia	**1**	1
Trading	Indonesia	**8**	8
Workshop/gas station	Indonesia	**2**	2
		94	92

6 Subsidiaries (Cont'd)

Shares held in PT BIC and PT BMW have been pledged as securities for bank borrowings (Note 17(iii)(b)).

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

a. Summarised Consolidated Statement of Financial Position

	PT Indomobil Sukses Internasional Tbk and its subsidiaries As at 31 December	
	2015	**2014**
	$'000	**$'000**
Current assets	**1,248,327**	1,257,189
Non-current assets	**1,192,302**	1,179,157
Current liabilities	**(1,340,696)**	(1,217,695)
Non-current liabilities	**(522,037)**	(559,442)
Equity attributable to owners of the Company	**(474,831)**	(558,194)
Non-controlling interests	**(103,065)**	(101,015)

b. Summarised Consolidated Statement of Comprehensive Income

	PT Indomobil Sukses Internasional Tbk and its subsidiaries For year ended 31 December	
	2015	**2014**
	$'000	**$'000**
Revenue	**1,864,564**	2,074,000
Expenses	**(1,922,691)**	(2,086,708)
Loss for the year	**(58,127)**	(12,708)
Loss attributable to owners of the Company	**(60,045)**	(18,760)
Profit attributable to non-controlling interest	**1,918**	6,052
Loss for the year	**(58,127)**	(12,708)
Other comprehensive (expense)/income attributable to owners of the Company	**(21,306)**	17,415
Other comprehensive income attributable to non-controlling interest	**211**	2,879
Other comprehensive (expense)/income for the year	**(21,095)**	20,294
Total comprehensive expense attributable to owners of the Company	**(81,351)**	(1,345)
Total comprehensive income attributable to non-controlling interest	**2,129**	8,931
Total comprehensive (expense)/income for the year	**(79,222)**	7,586

6 Subsidiaries (Cont'd)

c. Summarised Consolidated Statement of Cash Flows

	PT Indomobil Sukses Internasional Tbk and its subsidiaries For year ended 31 December 2015 $'000	2014 $'000
Net cash inflow from operating activities	**145,616**	56,129
Net cash outflow from investing activities	**(197,722)**	(65,206)
Net cash inflow from financing activities	**69,457**	9,166
Net cash inflow	**17,351**	89

7 Associates

The Group	2015 $'000	2014 $'000
Unquoted equity investments, at cost		
Beginning of the year	**558,628**	548,678
Additions during the year	**12,073**	26,584
Disposal during the year	**(11,783)**	(16,634)
	558,918	558,628
Exchange translation difference	**(4,421)**	(10,603)
Share of post-acquisition reserves	**(103,040)**	(73,381)
Dividend paid by associates companies	**(753)**	(4,346)
	450,704	470,298

7 Associates (Cont'd)

Set out below are the associates of the Group as at 31 December 2015, which, in the opinion of the directors are material to the Group.

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by Group*	
			2015	**2014**
			%	**%**
Indirectly held through PT IMAS's subsidiaries				
PT Hino Motor Sales Indonesia ("PT HMSI")(1)	Distributor	Indonesia	**28.6**	28.6
PT Nissan Motor Indonesia ("PT NMI")(1)	Manufacturing	Indonesia	**17.87**	17.87
PT Nissan Motor Distributor Indonesia ("PT NMDI")(1)	Distributor	Indonesia	**17.87**	17.87
PT Shinhan Indo Finance ("PT SIF")(2)	Financing	Indonesia	**17.56**	17.56
Super Concord Holdings Limited ("Super Concord")(3)	Investment Holding	Hong Kong	**49.00**	49.00
World Elite Investments Limited ("World Elite")(3)	Investment Holding	Hong Kong	**37.50**	37.50

* These represent the effective interest percentage held by the Group

(1) Audited by Purwantono, Suherman & Surja, a member of Ernst & Young Global Limited

(2) Audited by Johan Malonda Mustika & Rekan

(3) Audited by PricewaterhouseCoopers

All of these associates are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements in accordance with FRSs.

a. Summarised Statements of Financial Position

	PT HMSI Year ended		**PT NMI Year ended**	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
	$'000	**$'000**	**$'000**	**$'000**
Current assets	**308,256**	486,798	**302,684**	333,440
Non-current assets	**19,241**	14,621	**265,370**	288,612
Current Liabilities	**(271,882)**	(435,987)	**(229,829)**	(230,773)
Non-current liabilities	**(730)**	(711)	**(5,141)**	(4,005)

7 Associates (Cont'd)

a. Summarised Statements of Financial Position (Cont'd)

	PT NMDI Year ended		PT SIF Year ended	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
	$'000	**$'000**	**$'000**	**$'000**
Current assets	**146,350**	171,123	**83,026**	94,609
Non-current assets	**26,843**	18,058	**1,952**	4,568
Current Liabilities	**(149,567)**	(150,023)	**(67,129)**	(15,565)
Non-current liabilities	**(1,922)**	(1,719)	**(513)**	(65,755)

	Super Concord Year ended		World Elite Year ended	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
	$'000	**$'000**	**$'000**	**$'000**
Current assets	**104**	6	**–**	–
Non-current assets	**257,429**	255,520	**108,776**	99,210
Current Liabilities	**(97,623)**	(84,779)	**(637)**	(570)
Non-current liabilities	**(90,593)**	(85,162)	**(60,395)**	(56,775)

b. Summarised Statements of Comprehensive Income

	PT HMSI Year ended		PT NMI Year ended	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	**641,541**	750,311	**447,508**	513,853
Profit/(loss) from continuing operations	**20,545**	(5,545)	**(56,876)**	(73,932)
Other comprehensive expense for the year	**(17,927)**	–	**(987)**	–
Total comprehensive income/(expense) for the year	**2,618**	(5,545)	**(57,863)**	(73,932)
Dividends received from the associate during the year	**–**	9,144	**–**	–

7 Associates (Cont'd)

b. Summarised Statements of Comprehensive Income (Cont'd)

	PT NMDI Year ended		PT SIF Year ended	
	31.12.2015 $'000	31.12.2014 $'000	31.12.2015 $'000	31.12.2014 $'000
Revenue	**552,260**	643,958	**11,436**	14,337
(Loss)/profit from continuing operations	**(31,181)**	(41,354)	**1,129**	1,989
Other comprehensive income/(expense) for the year	**10,999**	–	**(304)**	–
Total comprehensive (expense)/income for the year	**(20,182)**	(41,354)	**825**	1,989

	Super Concord Year ended		World Elite Year ended	
	31.12.2015 $'000	31.12.2014 $'000	31.12.2015 $'000	31.12.2014 $'000
Revenue	**206**	–	**–**	–
Loss from continuing operations	**(25,600)**	(13,373)	**(64)**	(26)
Other comprehensive expense for the year	**(4,078)**	(368)	**(2,499)**	(128)
Total comprehensive expense for the year	**(29,678)**	(13,741)	**(2,563)**	(154)
Dividends received from the associate during the year	**–**	–	**–**	–

7 Associates (Cont'd)

b. Summarised Statements of Comprehensive Income (Cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

The Group	**2015 $'000**	**2014 $'000**
Net assets of the associates	**544,070**	634,741
Proportion of the Group's ownership interest in the associates	**134,018**	155,186
Other adjustments (PPA adjustment)	**67,049**	67,049
Carrying amount	**201,067**	222,235
Add:		
Carrying amount of individually immaterial associates	**249,637**	248,063
Carrying amount of the Group's interest in the associates	**450,704**	470,298

Aggregate information of associates that are not individually material

Summarised Statements of Comprehensive Income

The Group	**2015 $'000**	**2014 $'000**
(Loss)/profit from continuing operations	**(2,328)**	1,853
Other comprehensive income for the year	**–**	–
Total comprehensive (expense)/income for the year	**(2,328)**	1,853

8 Financing receivables

The following consists of consumer financing receivables and investment in finance leases from subsidiaries engaged in financial services.

The Group	**2015 $'000**	**2014 $'000**
Current		
Net investment in financing leases	**238,105**	238,032
Consumer financing receivables – net	**184,978**	170,543
	423,083	408,575
Non-Current		
Net investment in financing leases	**190,703**	202,158
Consumer financing receivables – net	**193,285**	155,352
	383,988	357,510
	807,071	766,085

8 Financing receivables (Cont'd)

As at 31 December 2015, financing receivables amounting to $406 million (2014 – $326 million) and $131 million (2014 – $144 million) have been pledged as security for borrowings (Note 17(iii)) and debt securities (Note 18) respectively.

The effective interest rates of consumer financing receivables in Indonesian Rupiah are ranging from 11.48% to 35.23% and 9.00% to 9.41% in US dollar as of 31 December 2015 (2014 – 10.84% to 36.39% and 8.68% to 9.37% in US dollar).

The effective interest rates of net investment in financing leases in Indonesian Rupiah are ranging from 11.03% to 19.15% and 8.38% to 9.80% in US dollar as of 31 December 2015 (2014 – 8.46% to 19.96% and 7.25% to 9.38% in US dollar).

(a) Consumer financing receivables – net

The Group	Include unearned consumer financing receivables		Exclude unearned consumer financing receivables	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Third Parties				
Within one year	**233,092**	216,417	**187,480**	173,050
Between 2 – 5 years	**235,788**	187,121	**195,899**	157,607
After 5 years	**–**	2	**–**	2
Total	**468,880**	403,540	**383,379**	330,659
Less allowance for impairment losses	**(5,116)**	(4,764)	**(5,116)**	(4,764)
Consumer financing receivables – net	**463,764**	398,776	**378,263**	325,895

The ageing of consumer financing receivables past due but not impaired as at 31 December 2015 is as follows:

The Group	**2015** **$'000**	**2014** **$'000**
Past due 1 – 30 days	**4,499**	4,553
Past due 31 – 60 days	**2,367**	1,809
Past due more than 60 days	**1,407**	1,229
	8,273	7,591

8 Financing receivables (Cont'd)

(a) Consumer financing receivables – net (Cont'd)

Consumer financing receivables that were neither past due nor impaired amounting to $455,491,000 (2014 – $391,185,000) for the Group were related to customers for whom there was no recent history of default. Consumer financing receivables that were past due but not impaired related to customers that have a good track record with the Group. Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of consumer financing receivables not past due or past due over 60 days. These receivables are mainly arising from customers that have a good credit record with the Group.

Movements in the allowance for impairment of consumer financing receivables are as follows:

The Group	2015 $'000	2014 $'000
Beginning of the year	**4,764**	4,396
Allowance for the year	**22,797**	12,747
Written off during the year	**(22,283)**	(12,474)
Translation differences	**(162)**	95
Balance at end of the year	**5,116**	4,764

Management believes that the above allowance for impairment losses on consumer financing receivables is adequate to cover possible losses that may arise from non-cancellation of financing receivables.

The consumer financing receivables are denominated in the following currencies:

The Group	2015 $'000	2014 $'000
Indonesian rupiah	**374,265**	316,015
United States dollar	**3,998**	9,880
	378,263	325,895

The consumer financing debtors relate primarily to the Group's motor vehicle and motorcycle financing. Before accepting new customers, the Group assesses the potential customers' credit worthiness and sets credit limits by using its internal systems. The receivables given to the customers for financing of vehicles are secured by Certificates of Ownership (BPKB) or other documents of ownership which give the Group the right to sell the repossessed collateral or take any other action to settle the outstanding debt.

8 Financing receivables (Cont'd)

(a) Consumer financing receivables – net (Cont'd)

The loan period ranges from 12 to 36 months for motorcycles, 12 to 60 months for passenger cars and 12 to 36 months for commercial vehicles and heavy equipment and machinery. Default or delinquency in payment is considered an indicator that the debtor balances are impaired. An allowance for impairment is made based on the estimated irrecoverable amount by reference to past default experience. The Group has the right to repossess the assets whenever its customers default on their instalment obligations. It usually exercises its right if the loan has been overdue for 30 days or longer for motorcycle and passenger car and 60 days or longer for commercial vehicle and heavy equipment and machinery. Management has considered the balances against which collective impairment provision is made as impaired.

(b) Net investment in financing leases

The Group	**Gross investments**		**Net investments**	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Third Parties				
Within one year	**288,112**	284,054	**241,679**	242,489
Between 2 – 5 years	**225,023**	232,963	**194,030**	205,872
	513,135	517,017	**435,709**	448,361
Related parties				
Within one year	**607**	–	**569**	–
Residual value	**282,663**	200,726	**282,663**	200,726
Security deposits	**(282,663)**	(200,726)	**(282,663)**	(200,726)
Less: allowance for impairment losses	**(7,470)**	(8,171)	**(7,470)**	(8,171)
Investment in financing leases – net	**506,272**	508,846	**428,808**	440,190

Gross investments include unearned lease income.

All the net investment in financing leases are not past due and not impaired in relation to customers for whom there was no history of default. The Group believes that no impairment allowance is necessary in respect of the financing receivables as these are mainly arising from customers that have a good credit record with the Group.

8 Financing receivables (Cont'd)

(b) Net investment in financing leases (Cont'd)

Movements in the allowance for impairment of net investment in finance lease are as follows:

The Group	2015 $'000	2014 $'000
Beginning of the year	**8,171**	5,293
Allowance for the year	**5,504**	4,955
Written off during the year	**(5,930)**	(2,175)
Translation differences	**(275)**	98
Balance at end of the year	**7,470**	8,171

The Group believes that the above allowance for impairment losses on financing receivables on net investment in finance leases is adequate to cover possible losses that may arise from non-cancellation of financing receivables.

The financing receivables on net investment in financing leases are denominated in the following currencies:

The Group	2015 $'000	2014 $'000
Indonesian rupiah	**282,370**	224,566
United States dollar	**146,438**	215,624
	428,808	440,190

9 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred income tax assets against deferred income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

The Company	2015 $'000	2014 $'000
Deferred tax assets		
To be recovered within one year	**–**	–
To be recovered after one year	**6,502**	6,211
	6,502	6,211

9 Deferred taxation (Cont'd)

The Group	2015 $'000	2014 $'000
Deferred tax assets		
To be recovered within one year	**–**	–
To be recovered after one year	**40,527**	44,087
	40,527	44,087
Deferred tax liabilities		
To be recovered within one year	**–**	–
To be recovered after one year	**95,681**	97,882
	95,681	97,882

The balance of deferred tax assets and liabilities comprise tax on:–

The Company	Balance at 1 January 2015 $'000	Charged/ (credited) to profit or loss $'000	Balance at 31 December 2015 $'000
Deferred tax assets			
Fiscal loss net of expired tax loss	**6,481**	**250**	**6,731**
Property, plant and equipment	**(74)**	**52**	**(22)**
Interest income	**(196)**	**(11)**	**(207)**
	6,211	**291**	**6,502**

The Company	Balance at 1 January 2014 $'000	Charged/ (credited) to profit or loss $'000	Balance at 31 December 2014 $'000
Deferred tax assets			
Fiscal loss net of expired tax loss	1,356	5,125	6,481
Property, plant and equipment	(5)	(69)	(74)
Interest income	(7)	(189)	(196)
	1,344	4,867	6,211

9 Deferred taxation (Cont'd)

The Group	Balance at 1 January 2015 $'000	Credited/ (charged) to profit or loss (Note 29) $'000	Charge to OCI for the year $'000	Foreign exchange difference $'000	Balance at 31 December 2015 $'000
Deferred tax assets					
Fiscal loss net of expired tax loss	**37,237**	**4,369**	**–**	**(1,024)**	**40,582**
Estimated liability for employee service entitlements	**4,459**	**821**	**544**	**(145)**	**5,679**
Allowance for impairment loss of receivables	**357**	**285**	**–**	**(13)**	**629**
Allowance for impairment loss of investments	**2,607**	**–**	**–**	**(88)**	**2,519**
Valuation allowance	**–**	**(1)**	**–**	**–**	**(1)**
Property, plant and equipment	**(6,033)**	**(7,988)**	**–**	**187**	**(13,834)**
Foreclosed and intangible assets	**496**	**779**	**–**	**(18)**	**1,257**
Lease transaction	**335**	**(161)**	**–**	**(11)**	**163**
Others	**4,629**	**(935)**	**–**	**(161)**	**3,533**
	44,087	**(2,831)**	**544**	**(1,273)**	**40,527**

The Group	Balance at 1 January 2015 $'000	Credited/ (charged) to profit or loss (Note 29) $'000	Charge to OCI for the year $'000	Foreign exchange difference $'000	Balance at 31 December 2015 $'000
Deferred tax liabilities					
Fiscal loss net of expired tax loss	**643**	**(807)**	**–**	**(19)**	**(183)**
Estimated liability for employee service entitlements	**583**	**102**	**(49)**	**(15)**	**621**
Property, plant and equipment	**(4,628)**	**(2,049)**	**–**	**138**	**(6,539)**
Allowance for impairment loss of receivables	**42**	**31**	**–**	**–**	**73**
Interest income	**(1)**	**–**	**–**	**–**	**(1)**
Associates	**(16,810)**	**–**	**–**	**–**	**(16,810)**
Amortisation of distributorships and dealerships	**(74,420)**	**4,059**	**–**	**–**	**(70,361)**
Others	**(3,291)**	**(224)**	**–**	**1,034**	**(2,481)**
	(97,882)	**1,112**	**(49)**	**1,138**	**(95,681)**

9 Deferred taxation (Cont'd)

The Group	Balance at 1 January 2014 $'000	Credited/ (charged) to profit or loss (Note 29) $'000	Charge to OCI for the year $'000	Foreign exchange difference $'000	Balance at 31 December 2014 $'000
Deferred tax assets					
Fiscal loss net of expired tax loss	27,904	8,150	–	1,183	37,237
Estimated liability for employee service entitlements	3,522	886	(16)	67	4,459
Allowance for impairment loss of receivables	228	125	–	4	357
Allowance for impairment loss of investments	2,551	–	–	56	2,607
Valuation allowance	(1,046)	1,046	–	–	–
Property, plant and equipment	(4,362)	(1,605)	–	(66)	(6,033)
Foreclosed and intangible assets	445	42	–	9	496
Lease transaction	129	205	–	1	335
Others	5,409	(903)	–	123	4,629
	34,780	7,946	(16)	1,377	44,087

The Group	Balance at 1 January 2014 $'000	Credited/ (charged) to profit or loss (Note 29) $'000	Charge to OCI for the year $'000	Foreign exchange difference $'000	Balance at 31 December 2014 $'000
Deferred tax liabilities					
Fiscal loss net of expired tax loss	715	(102)	–	30	643
Estimated liability for employee service entitlements	402	106	67	8	583
Property, plant and equipment	(3,075)	(1,548)	–	(5)	(4,628)
Allowance for impairment loss of receivables	63	(21)	–	–	42
Interest income	(1)	–	–	–	(1)
Associates	(16,810)	–	–	–	(16,810)
Amortisation of distributorships and dealerships	(78,479)	4,059	–	–	(74,420)
Others	(2,679)	(499)	–	(113)	(3,291)
	(99,864)	1,995	67	(80)	(97,882)

Unrecognised taxable temporary differences associated with investments in subsidiaries and associates

9 Deferred taxation (Cont'd)

Deferred income tax liabilities of $70,000,000 (2014 – $58,000,000) have not been recognised for withholding and other taxes that will be payable on the earnings of overseas subsidiaries and associates when remitted to the holding company.

10 Other non-current assets

	Note	The Company 2015 $'000	The Company 2014 $'000	The Group 2015 $'000	The Group 2014 $'000
Unquoted investments in shares of stock					
– at cost					
Beginning of the year		**–**	–	**37,666**	37,043
Addition during the year		**–**	–	**2,284**	33
Disposal during the year		**–**	–	**(698)**	–
Translation differences		**–**	–	**(942)**	590
End of the year				**38,310**	37,666
– allowance for impairment losses	(i)	**–**	–	**(10,000)**	(10,000)
		–	–	**28,310**	27,666
Quoted investment in shares of stock					
Beginning of the year		**–**	–	**79,367**	72,120
Fair value reserve		**–**	–	**(13,139)**	5,558
Translation difference		**–**	–	**(2,138)**	1,689
End of the year	(ii)	**–**	–	**64,090**	79,367
Derivative assets	23	**–**	–	**32,325**	17,030
Loan receivable	(iii)	**–**	–	**–**	47,500
Note receivables	(iv)	**7,074**	6,617	**7,074**	6,617
Golf membership	(v)	**–**	–	**–**	1,607
Interest and other receivable from notes receivable	(iv)	**4,232**	3,354	**4,232**	3,354
Estimated claims for tax refund		**–**	–	**28,889**	32,727
Restrictive cash in banks and time deposits		**–**	–	**349**	928
Other receivables		**–**	–	**53,542**	48,928
Prepayment and deposits		**343**	188	**704**	991
		11,649	10,159	**219,515**	266,715

(i) Included in the unquoted investments in shares of stock is a subsidiary's share of approximately 10% of total shares in Bintan Lagoon Resort Ltd ("BLRL") and are classified as available-for-sale financial assets. There is also no active market for the equity interest as the purchase agreement stipulated the requirement to sell all interests to the main shareholder, when the need arises. As such, it is not practicable to determine with sufficient reliability the fair value of the unquoted equity shares. The carrying amount of the unquoted equity investments has been fully impaired due to carrying amount of BLRL had been below cost for prolonged period.

10 Other non-current assets (Cont'd)

(ii) The quoted equity investments represent the Group's investment in shares of PT Mutistrada Arah Sarana Tbk. which are listed on Indonesian Stock Exchange. These are classified as available-for-sale financial assets and stated at fair value.

Subsequent to the end of the reporting period, there was a further decline on the quoted prices of the available-for-sale financial assets which would have resulted in a further decline in fair value of $28,484,000.

(iii) The original convertible loan receivable of approximately $62,046,000 was unsecured and was convertible at the option of its subsidiary, Verizon Resorts Limited ("VRL"), into shares in the capital of PT Alam Indah Bintan ("PT AIB") at the par value of each PT AIB share of US$1. The conversion price was agreed between the parties taking into account the unaudited net liabilities of PT AIB as at 31 December 2004 of approximately $14,900,000. Interest on the loan is at the rate of 1.5% above the Singapore Inter-bank Offer Rate ("SIBOR") on a quarterly basis per annum. The PT AIB Convertible Loan shall be settled via repayment and/or the issue of PT AIB shares pursuant to the exercise of the option, in any event by 31 December 2009.

On 31 December 2009, PT AIB made a payment of principal and interest amounting to approximately $13,300,000. The outstanding principal amount under PT AIB convertible bond after the repayment is $60,000,000 and both parties have agreed to extend the tenure of the convertible bond from 31 December 2009 to 31 December 2010. The interest on the extended loan is at the rate of 1.75% above the SIBOR on a quarterly basis per annum.

On 3 September 2010, PT AIB made another repayment of principal and interest amounting to approximately $13,600,000 and reduced the balance of the convertible bond to $47,500,000. The tenure of the convertible bond has been extended to 31 December 2015, though it is expected to be recovered after that.

The interest on the extended loan is at the rate of 4.75% above the SIBOR on a quarterly basis per annum. During the year, the convertible bond of $47,500,000 together with the accrued interest has been fully repaid by PT AIB.

(iv) Interest receivable from Note Receivables

<u>Amount owing by associate-Super Concord Holdings Limited</u>

On 30 September 2010, the Company entered into an assignment agreement with MSL, whereas MSL agreed to assign US$5,000,000 notes receivable from Super Concord Holdings Limited to the Company as a discharge of MSL's debt to the Company. The notes bear interest at 9% per annum and are due on 1 December 2015. The notes receivable has been extended to 31 December 2016.

(v) Golf membership represents the value of non-refundable unsold golf membership. Due to the low market demand for golf membership, the Group wrote down the non-refundable membership to its recoverable amount. The recoverable amount is based on the published market price of the golf membership which is ranging from $5,000 to $8,000 for each golf membership as of 31 December 2015. (2014 – $5,000 to $8,000)

11 Land inventories

The Group	2015 $'000	2014 $'000
Land for sale, at cost	**630,027**	609,798

As at 31 December 2015, PT SBP's land inventories comprise 3,744 ha (2014 – 3,744 ha) with Building Use Right ("HGB"). Part of the land's HGB of 3,285 ha (2014 – 3,285 ha) will expire in 30 years while the HGB of 459 ha (2014 – 459 ha) has been extended and renewed for period of 80 years.

As at 31 December 2015, PT BMW's land inventories comprise 13,932 ha (2014 – 13,932 ha) of land with HGB certificates. Part of the land's HGB amounting to 12,160 ha (2014 – 12,126 ha) will expire in 30 years while the HGB of 1,772 ha (2014 – 1,806 ha) has been extended and renewed for a period of 80 years.

12 Other inventories

The Group	2015 $'000	2014 $'000
Finished/trading goods(1)	**209,714**	273,468
Work-in-progress	**1,688**	1,476
Raw and indirect materials	**4,591**	8,186
Spare parts	**65,652**	66,914
Inventories-in-transit	**1,570**	2,026
Fuel and lubrication oil	**4,215**	4,108
Consumables and supplies	**6,566**	5,641
Others	**6,549**	6,842
Allowance for inventories obsolescence	**(1,940)**	(2,151)
	298,605	366,510

(1) The finished/trading goods consist of automobiles, motorcycles and stamping dies.

Movements in the allowance for inventories obsolescence are as follows:

The Group	2015 $'000	2014 $'000
Beginning of the year	**2,151**	2,125
Allowance for the year	**–**	113
Written off during the year	**107**	–
Reversal of allowance during the year	**–**	(102)
Translation differences	**(318)**	15
End of the year	**1,940**	2,151

In 2015, $Nil (2014 – ($11,000)) was recognised to profit or loss as inventory obsolescence due to slow moving consumables and supplies.

12 Other inventories (Cont'd)

The reversal of allowance during the prior year were made when the related inventories were sold above their carrying amount in previous periods.

Inventories amounting to $248 million at 31 December 2015 (2014 – $218 million) have been pledged as collateral for bank borrowing (Note 17(i) and (iii)) and debt securities (Note 18).

13 Trade and other receivables

	Note	The Company 2015 $'000	The Company 2014 $'000	The Group 2015 $'000	The Group 2014 $'000
Trade receivables					
– related parties		**–**	–	**49,312**	23,471
– external parties		**–**	–	**291,434**	373,850
Impairment of trade receivables		**–**	–	**(8,796)**	(6,181)
Net trade receivables	(i)	**–**	–	**331,950**	391,140
Other receivables:					
Refundable deposits		**156**	94	**177**	114
Prepayments		**1,459**	1,223	**56,461**	49,280
Amount owing by subsidiaries		**56,790**	117,295	**–**	–
Amount owing by related parties		**20**	16	**44,942**	47,672
Interest receivables		**–**	–	**188**	6,237
Foreclosed assets	22	**–**	–	**17,544**	5,204
Others		**434**	1,357	**73,312**	47,966
		58,859	119,985	**192,624**	156,473
Impairment of other receivables		**–**	–	**(1,535)**	(1,159)
Net other receivables	(ii)	**58,859**	119,985	**191,089**	155,314
Total	(i) + (ii)	**58,859**	119,985	**523,039**	546,454

Included in others is one of the Group subsidiary's short term investment of $28,956,000 (2014 – $Nil) with investment institutions.

Trade and other receivables are denominated in the following currencies:

	The Company 2015 $'000	The Company 2014 $'000	The Group 2015 $'000	The Group 2014 $'000
Singapore dollar	**58,225**	119,487	**79,108**	125,097
Indonesian rupiah	**–**	–	**340,361**	68,317
United States dollar	**634**	498	**101,591**	348,080
Euro	**–**	–	**1,706**	3,808
Swedish Krona	**–**	–	**273**	1,110
Others	**–**	–	**–**	42
	58,859	119,985	**523,039**	546,454

13 Trade and other receivables (Cont'd)

The ageing of trade and other receivables past due but not impaired is as follows:

	The Company		The Group	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Past due 1 – 30 days	**–**	–	**65,139**	72,417
Past due 31 – 90 days	**–**	–	**31,094**	22,702
Past due more than 90 days	**401**	399	**202,563**	237,558
	401	399	**298,796**	332,677

Trade and other receivables that were neither past due nor impaired amounting to $58,458,000 (2014 – $119,586,000) and $224,243,000 (2014 – $213,777,000) for the Company and the Group respectively related to a wide range of customers for whom there was no recent history of default. Trade and other receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due or past due over 90 days. These receivables are mainly arising from customers that have a good credit record with the Group.

The movements in allowance for impairment losses on doubtful receivables in respect of trade and other receivables were as follows:

The Group	Allowance for impairment losses on trade receivables		Allowance for impairment losses on other receivables	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	**6,181**	4,234	**1,159**	1,136
Allowance during the year	**2,961**	2,351	**312**	23
Allowance utilised	**(94)**	(105)	**–**	–
Reversal of allowance during the year	**(169)**	(301)	**–**	–
Translation differences	**(83)**	2	**64**	–
At 31 December	**8,796**	6,181	**1,535**	1,159

The reversal of allowance was due to the doubtful debts recovered from receivables which were previously provided for.

13 Trade and other receivables (Cont'd)

The average credit period for external and related parties on sales of goods and services varies among the Group's businesses but it is not more than 90 days and do not bear any interest. The credit quality of trade and other receivables is assessed based on credit policies established by the individual Group businesses. Significant financial difficulties of a trade and other debtor, probability that the trade and other debtor will enter bankruptcy or delinquency in payment are considered indicators that the trade and other debtor is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience.

As at 31 December 2015, certain trade and other receivables amounting to approximately $367 million (2014 – $315 million) were pledged to banks to secure borrowing and credit facilities of the Group (Note 17 (i) and (iii)) and debt securities (Note 18).

The non-trade amount owing by subsidiaries represents loans, which are interest-bearing, and advanced payment of expenses is unsecured and repayable on demand.

The non-trade amount owing by related parties represents mainly advanced payment of expenses, is non-interest bearing, unsecured and repayable on demand.

The related parties are corporate entities who are subject to common control or common significant influence by a shareholder of the Company, including fellow subsidiaries.

14 Cash and cash equivalents

	The Company		**The Group**	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and on hand	**18,024**	475	**156,413**	126,039
Time deposits	**50**	50	**45,508**	35,253
	18,074	525	**201,921**	161,292

(i) The fixed deposits have an average maturity of 1 day to 365 days (2014: 1 day to 365 days) from the end of the financial year with the following interest rates:

	2015	**2014**
Singapore dollar	**0.05%**	0.05%
Indonesian rupiah	**4.00% – 10.35%**	4.5% – 10.75%

(ii) The cash and cash equivalents are denominated in the following currencies:

	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Singapore dollar	**16,667**	389	**43,193**	25,141
United States dollar	**217**	6	**19,129**	27,386
Indonesian rupiah	**1,186**	126	**124,433**	106,356
Others	**4**	4	**15,166**	2,409
	18,074	525	**201,921**	161,292

15 Share capital

The Company and The Group	No. of ordinary share	Amount
		$'000
2015		
Issued and fully paid, with no par value		
Beginning and end of financial year	**4,824,965,112**	**1,880,154**
2014		
Issued and fully paid, with no par value		
Beginning and end of financial year	4,824,965,112	1,880,154

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets. The shares have no par value.

The Company did not hold any treasury shares as at 31 December 2015 (2014 – Nil).

16 Reserves

	Note	The Company 2015	The Company 2014	The Group 2015	The Group 2014
		$'000	$'000	$'000	$'000
Capital reserve	(a)	**80,000**	80,000	**(105,771)**	(105,771)
Translation reserve	(b)	**–**	–	**(41,645)**	(45,930)
Hedging reserve	(c)	**–**	–	**6,803**	3,446
Fair value reserve	(d)	**–**	–	**(9,661)**	(315)
Other reserves	(e)	**–**	–	**3,027**	5,872
		80,000	80,000	**(147,247)**	(142,698)

(a) The capital reserve comprises equity component of convertible notes and effects of transactions with non-controlling interests.

(b) The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

(c) The hedging reserve comprises the effective portion of the cumulative change (net of taxes) in the fair value of cash flow hedging instruments related to hedged transactions that have not yet affected profit or loss.

(d) Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

(e) Other reserves comprise of the differences arising from the change in equity of subsidiaries, effects of transaction with non-controlling interest and actuarial losses.

16 Reserves (Cont'd)

Movement of reserves is as follows:

(a) Capital reserve

	The Company		The Group	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Beginning of year and at end of year	**80,000**	80,000	**(105,771)**	(105,771)

(b) Translation reserve

The Group	**2015** **$'000**	**2014** **$'000**
Beginning of year	**(45,930)**	(64,847)
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**750**	25,839
Less: Non-controlling interests	**3,535**	(6,922)
At end of year	**(41,645)**	(45,930)

(c) Hedging reserve

The Group	**2015** **$'000**	**2014** **$'000**
Beginning of year	**3,446**	5,145
Gain/(loss) arising during the year	**4,688**	(2,377)
Less: Non-controlling interests	**(1,331)**	678
At end of year	**6,803**	3,446

(d) Fair value reserve

The Group	**2015** **$'000**	**2014** **$'000**
Beginning of year	**(315)**	(4,267)
Available-for-sale financial assets – Fair value (loss)/gain	**(13,139)**	5,558
Less: Non-controlling interests	**3,793**	(1,606)
At end of year	**(9,661)**	(315)

16 Reserves (Cont'd)

(e) Other reserves

The Group	2015 $'000	2014 $'000
Beginning of year	**5,872**	6,662
Actuarial loss during the year	**(1,810)**	(158)
Changes in interest in subsidiaries	**(891)**	(659)
Less: Non-controlling interests	**(144)**	27
At end of year	**3,027**	5,872

17 Borrowings

	Note	The Company 2015 $'000	The Company 2014 $'000	The Group 2015 $'000	The Group 2014 $'000
Current borrowings					
Short term loans	(i)	**–**	–	**606,238**	516,058
Loan from subsidiaries	(ii)	**145,604**	137,503	**–**	–
Current portion of non-current borrowings					
– Bank loans	(iii)	**–**	–	**364,031**	286,602
– Finance lease	(iv)	**–**	–	**3,229**	2,341
– Consumer financing	(iv)	**–**	–	**–**	3,392
– Other loans		**–**	–	**–**	3,411
		145,604	137,503	**973,498**	811,804
Non-current borrowings					
Bank loans	(iii)	**–**	209,925	**494,642**	693,705
Finance lease	(iv)	**–**	–	**4,631**	4,869
Consumer financing	(iv)	**–**	–	**–**	–
Other loans		**–**	–	**1,411**	1,958
		–	209,925	**500,684**	700,532
Total borrowings		**145,604**	347,428	**1,474,182**	1,512,336
Secured		**–**	209,925	**1,474,182**	1,505,440
Unsecured		**145,604**	137,503	**–**	6,896
		145,604	347,428	**1,474,182**	1,512,336

17 Borrowings (Cont'd)

(i) Some of the short term loans are secured by the PT IMAS's subsidiaries' property, plant and equipment (Note 4), trade and other receivables (Note 13) and other inventories (Note 12) and have certain terms under the loan agreement that require PT IMAS and its subsidiaries to obtain prior approval from the borrowers with respect to transactions involving amounts that exceed certain thresholds agreed with the borrowers such as among others, mergers or acquisitions; sale or pledge of assets and engaging in non-arm's length transactions and change in majority ownership.

(ii) Loans from subsidiaries are unsecured and repayable on demand. Interest is charged at the interest rate of 1.7% to 7.75% (2014 – 1.7% to 5.75%) per annum.

(iii) The details of the bank loans are as follows:–

(a) The Company

On 12 April 2013 and 10 May 2013, the Company obtained a term loan facility of US$125 million and a bridging loan of US$283.3 million from CIMB Bank, Singapore Branch to finance the acquisition of 71.49% of the PT IMAS. The facilities consist of the following:–

(1) The US$125 million term loan facilities bear interest at LIBOR plus 4.5% per annum and have a tenure of 5 years.

(2) The US$283.3 million bridging loan bear interest at LIBOR plus 4% per annum and have a tenure of 1 year.

The above facilities are secured by pledge of PT IMAS's shares.

In prior year, the Company entered into a syndicated term loans agreement comprising of US$246,000,000 (Tranche A) and $207,919,200 (Tranche B). The loans are arranged by CIMB Bank Berhad (Singapore Branch), DBS Bank Ltd., Deutsche Bank AG (Singapore Branch), The Royal Bank of Scotland PLC and Standard Chartered Bank. CIMB Bank Berhad (Singapore Branch) is the facility agent and onshore security agent while PT Bank CIMB Niaga Tbk is the offshore security agent. The loan proceeds were used to refinance the above term loan facility of US$125 million and bridging loan of US$283.3 million from CIMB Bank, Singapore Branch above. The facilities consist of the following:–

(1) The US$246 million term loan facilities bear interest at LIBOR plus 3.75% per annum and have tenure of 2.8 years.

(2) The $207.9 million term loan facility bear interest at SOR plus 3.75% per annum and have tenure of 2.8 year.

The US$246,000,000 (Tranche A) and $207,919,200 (Tranche B) had been reduced to US$98,400,000 and $84,686,921 from the proceeds of the bond issued by the Company in prior year. In April 2015, the outstanding balance of US$98,400,000 (Tranche A) and $84,686,921 (Tranche B) had been fully paid from the proceeds of the bond issued by the Company in February and April 2015 (Note 18).

17 Borrowings (Cont'd)

(iii) The details of the bank loans are as follows:– (Cont'd)

(b) The Company and its subsidiaries (exclude PT IMAS and its subsidiaries)

The bank borrowings are secured by the Company's and its subsidiaries' assets as follows:–

(1) Pledge of land title over Batamindo Industrial Park;

(2) Pledge of shares and accounts of PT Batamindo Investment Cakrawala ("PT BIC")

(3) Pledge of shares of PT Buana Megawisatama ("PT BMW")

(4) Assignment of insurance proceeds, receivables and equipment of PT BIC.

(5) First priority legal mortgage and collateral deed of covenant in relation to the vessels;

(6) Debenture (fixed and floating) over all present and future assets of Company;

(7) First and second priority all monies legal mortgage and collateral deed of covenant over the vessels;

(8) Second priority all monies debenture (fixed and floating) over all present and future assets of the Company and;

(9) First and second priority all monies assignment of insurances over the vessels.

Certain covenants as below, among others, need to be maintained and have been complied with as at end of the reporting period–

(1) Ratio of Borrower Net Debt to Borrower EBITDA will not be more than 4.5.

(2) Borrower Debt Service Coverage Ratio will not be less than 1.25.

(c) PT IMAS and its subsidiaries

The bank borrowings are secured by the subsidiaries' assets as follows:–

(1) Property, Plant and Equipment (Note 4)

(2) Consumer financing receivables (Note 8)

(3) Net investment in finance lease (Note 8)

(4) Marketable equities of available-for-sales assets

17 Borrowings (Cont'd)

(iii) The details of the bank loans are as follows:– (Cont'd)

(c) PT IMAS and its subsidiaries (Cont'd)

(5) Other inventories (Note 12)

(6) Trade and Other Receivables (Note 13)

Certain covenants as below, among others, need to be maintained and have been complied with as at the end of the reporting period–

(1) Gearing ratio will not be more than 8.5 and 10

(2) Maintain management control

(3) Maintain shareholding of minimum 51% in a subsidiary

(iv) Obligation under finance lease and consumer financing

The Group	2015 $'000	2014 $'000
Minimum lease payments payable:		
Within 1 years	**3,229**	5,742
Between 2 to 5 years	**4,631**	6,246
More than 5 years	**–***	–
	7,860	11,988
Less:		
Finance charges allocated to future periods	**–**	(1,386)
Present value of minimum lease payments	**7,860**	10,602
Present value of minimum lease payments:		
Within 1 years	**3,229**	5,733
Between 2 to 5 years	**4,631**	4,869
More than 5 years	**–**	–
	7,860	10,602

* Amount less than $1,000

The Group leases motor vehicles and transportation equipment from non-related and related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal value at the end of the lease term. The finance lease and consumer financing are secured by the underlying assets (Note 4).

17 Borrowings (Cont'd)

(iv) Obligation under finance lease and consumer financing (Cont'd)

The borrowings of the Company and the Group exposed to interest rates are as follows:

	The Company		The Group	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Current portion:				
– at floating interest rate	–	–	**730,412**	649,228
– at fixed interest rate	**145,604**	137,503	**243,086**	162,576
	145,604	137,503	**973,498**	811,804

The borrowings of the Company and the Group exposed to interest rates are as follows:

	The Company		The Group	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Non-current portion:				
– at floating interest rate	**–**	209,925	**281,144**	463,330
– at fixed interest rate	**–**	–	**219,540**	237,202
	–	209,925	**500,684**	700,532

The borrowings are denominated in the following currencies:

	The Company		The Group	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Singapore dollar	**55,706**	127,210	**203,042**	100,195
United States dollar	**–**	127,180	**395,770**	604,121
Indonesian rupiah	**89,898**	93,038	**875,370**	807,747
Euro dollar	**–**	–	**–**	273
	145,604	347,428	**1,474,182**	1,512,336

The borrowing repayment profile is as follows:–

	The Company		The Group	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Repayable:				
Within 1 years	**145,604**	137,503	**973,498**	811,804
Between 2 to 5 years	**–**	209,925	**500,684**	700,532
More than 5 years	**–**	–	**–**	–
	145,604	347,428	**1,474,182**	1,512,336

17 Borrowings (Cont'd)

(iv) Obligation under finance lease and consumer financing (Cont'd)

The effective interest rates of the total borrowings at the end of reporting period are as follows:

	The Company		The Group	
	2015	**2014**	**2015**	**2014**
Short term loans	–	–	**2.90% to 12.11%**	1.75% to 10.95%
Bank loans	–	3.81% to 3.03%	**2.60% to 11.50%**	2.60% to 14.60%
Finance leases	–	–	**4.58% to 13.06%**	4.58% to 18.00%
Loan from subsidiaries	**1.70% to 7.75%**	1.70% to 5.75%	**–**	–

18 Debt securities

Debt securities comprise of fixed rate notes and bonds issued by the Company and subsidiaries in the Group.

	2015	**2014**
The Company	**$'000**	**$'000**
Bonds		
– Current (i)	**175,000**	–
– Non-current (i)	**455,000**	429,703
Less: deferred issuance costs	**(3,630)**	(15,429)
Net	**626,370**	414,274

	2015	**2014**
The Company	**$'000**	**$'000**
Secured	–	–
Unsecured	**626,370**	414,274
	626,370	414,274
Repayable:		
Within 1 years	**174,693**	–
Between 2 and 5 years	**451,677**	414,274
More than 5 years	**–**	–
	626,370	414,274

18 Debt securities (Cont'd)

During the year, the unsecured 1% per annum fixed rate non-convertible bonds due on 2 May 2018 issued by the Company to PT Cipta Sarana Duta Perkasa ("PT CSDP") for the financing of the acquisition of PT IMAS was fully redeemed at $86,324,846 (IDR equivalent 838,238,385,836) and the Company recognised a gain of $9,870,000 (Note 25).

On 2 February 2015 and 6 April 2015, the Company issued $75 million 7.00% unsecured notes due 2017 and $230 million 7.00% unsecured notes due 2018 under the US$500 million Euro Medium Term Note Programme established by the Company. The notes will mature from 2 August 2017 to 6 April 2018 and are listed in Singapore Exchange Securities Trading Limited ("SGX-ST"). These were used for the remaining full repayment of the syndicated term loans (Note 17(iii) (a)).

The Group	2015 $'000	2014 $'000
Notes and Bonds		
– Current	**287,396**	141,900
– Non-current	**626,266**	586,540
Nominal value	**913,662**	728,440
Less: deferred issuance costs	**(4,321)**	(535)
Net	**909,341**	727,905
Secured	**282,971**	313,631
Unsecured	**626,370**	414,274
	909,341	727,905
Repayable:		
Within 1 years	**286,707**	141,594
Between 2 and 5 years	**622,634**	586,311
More than 5 years	**–**	–
	909,341	727,905

18 Debt securities (Cont'd)

(1) The terms of the Group's debt securities are as follows:

Details of Bonds	Source Currency	Amount '000	Range of Nominal Interest Rate	Range of Maturity date
IMFI Bonds II Phase I	IDR	500,000,000	9.10% – 10.25%	4/5/2016 – 24/4/2019
MFI Bonds II Phase II	IDR	590,000,000	10.25% – 11.00%	13/11/2016 – 8/11/2019
IMFI 2014 Bonds I Phase I	IDR	699,000,000	8.25% – 8.75%	6/5/2016 – 10/6/2017
IMFI 2014 Bonds I Phase II	IDR	503,000,000	8.25% – 8.50%	7/4/2016 – 7/4/2017
IMFI 2014 Bonds I Phase III	IDR	159,000,000	10.75% – 11.00%	10/12/2016 – 10/12/2017
IMFI 2014 Bonds I Phase IV	IDR	289,000,000	11.25% – 11.40%	22/4/2017 – 22/4/2018
EMTM bonds	SGD	630,000	5.90% – 7.00%	21/4/2016 – 6/4/2018

(2) The bonds were collateralised by fiduciary transfer of financing receivables (Note 8), other inventories (Note 12) and trade receivables (Note 13) of PT IMAS's subsidiaries amounting to 50% to 60% of the total principal amount of the bonds.

The debt securities are denominated in the following currencies:

	The Company		The Group	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Singapore dollar	**626,370**	414,274	**626,370**	414,274
Indonesian rupiah	**–**	–	**282,971**	313,631
	626,370	414,274	**909,341**	727,905

19 Employee benefits liabilities

The Group	2015	2014
	$'000	**$'000**
Balance at beginning of year	**25,672**	21,647
Net employee benefits expense (Note 28)	**5,235**	4,674
Actual benefit payments	**(1,100)**	(936)
Foreign exchange difference	**(657)**	129
Income recognised in OCI	**1,810**	158
Balance at end of year	**30,960**	25,672

19 Employee benefits liabilities (Cont'd)

On 20 June 2000, under Indonesian Law, the Minister of Manpower of the Republic of Indonesia issued Decree No. Kep-150/Men/2000 regarding "The Settlement of Work Dismissal and Determination of Separation, Gratuity and Compensation Payment by Companies". Should there be any work dismissal, a company is obliged to settle any separation, gratuity and compensation payment, based on the duration of work of the respective employees and in accordance with the conditions stated in the Decree.

The Decree has been enacted into Law No.13 of 2003 regarding Manpower by the President of the Republic of Indonesia on 25 March 2003.

The Group recognised a provision for employees' service entitlement in accordance with the above Law. The benefits are unfunded. The provision is estimated using the "Projected Unit Credit Method" based on the actual calculation performed by independent actuaries, PT Dayamandiri Dharmakonsilindo, PT Jasa Aktuaria Pensiun dan Asuransi, PT Sentra Jasa Aktuaria, PT Bumi Dharma Akuaria and PT Dian Artha Tama which considered the following assumptions:

Discount rate	:	8.67% to 9.22% (2014 – 8.02% to 8.64%) per annum
Mortality rate	:	Tabel Mortalita Indonesia (TMI-III) – 2011 (2014 – Tabel Mortalita Indonesia (TMI-III) – 2011)
Annual salary increases	:	7% to 13% (2014 – 7% to 12.5%) per annum
Retirement age	:	55 to 60 years
Turnover rates	:	5% up to age 25 and reducing linearly up to 0% at the age of 45 and thereafter
Disability rate	:	10% of mortality rate

The net employee benefits expense comprises the following:

The Group	**2015**	**2014**
	$'000	**$'000**
Current service cost	**4,275**	3,890
Interest expense	**844**	784
Excess payment	**116**	–
	5,235	4,674

The Group	**2015**	**2014**
	$'000	**$'000**
Employee benefits liabilities:		
Present value of employee benefits liabilities	**30,960**	25,672
	30,960	25,672

20 Other non-current liabilities

	Note	The Company 2015 $'000	The Company 2014 $'000	The Group 2015 $'000	The Group 2014 $'000
Deposits from tenants	(i)	**90**	90	**26,402**	23,463
Refundable golf membership deposit	(ii)	**–**	–	**4,359**	4,201
Unearned revenue	(iii)	**–**	–	**1,477**	1,186
Derivative liabilities	23	**3,286**	2,683	**3,286**	45,067
Amount due to related party – non trade	(iv)	**–**	–	**7,074**	6,617
		3,376	2,773	**42,598**	80,534

(i) Deposits from tenants represent advance payments received from tenants equivalent to certain months' factory and dormitory rentals, hawkers' centres, and deposits for electricity supply, in accordance with the provisions of their respective lease agreements. These deposits will be refunded or applied against rentals due at the end of the lease period.

(ii) Refundable deposits received for golf club membership, which consist of Individual Type, Corporate A and B type, will be due on 1 August 2020.

(iii) Unearned revenue relates to the prepayment from the tenants on the lease of land and building.

(iv) Non trade amounts due to a related party, representing advances and payments on behalf are unsecured, interest free and repayable on demand.

The other non-current liabilities are denominated in the following currencies:

	The Company 2015 $'000	The Company 2014 $'000	The Group 2015 $'000	The Group 2014 $'000
Singapore dollar	**3,376**	2,773	**34,043**	30,343
Indonesian rupiah	**–**	–	**1,481**	43,574
United States dollar	**–**	–	**7,074**	6,617
	3,376	2,773	**42,598**	80,534

21 Trade and other payables

	The Company		The Group	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Trade				
Trade payables	**–**	–	**177,438**	202,872
Non-trade				
Accruals	**687**	943	**41,542**	56,574
Other payable	**613**	855	**74,282**	80,484
Interest payable on bank loan	**9,617**	3,237	**13,423**	5,950
Advances from customers and distributors	**–**	–	**22,672**	23,999
Amount owing to related parties	**–**	–	**29,255**	6,510
Amount owing to subsidiaries	**6,960**	14,002	**–**	–
Other current liabilities	**–**	–	**3,274**	10,073
	17,877	19,037	**361,886**	386,462

Trade payables are generally on 30 days (2014 – 30 days) credit terms.

Amounts owing to subsidiaries and related parties represent advances and are non-trade, unsecured, interest-free and repayable on demand.

The related parties are corporate entities who are subject to common control or common significant influence by a shareholder of the Company, including fellow subsidiaries.

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Singapore dollar	**4,970**	9,001	**34,349**	40,379
Indonesian rupiah	**12,907**	9,629	**284,130**	294,357
United States dollar	**–**	407	**22,859**	36,388
Euro	**–**	–	**14,801**	15,183
Swedish Kronor	**–**	–	**35**	42
Others	**–**	–	**5,712**	113
	17,877	19,037	**361,886**	386,462

22 Foreclosed assets

Foreclosed assets represent acquired assets in conjunction with settlement of consumer financing receivables. In case of default, the consumers give the right to the Group to sell the foreclosed assets or take any other actions to settle the outstanding receivables.

The Group determined that the foreclosed assets will be converted into cash within maximum three months.

The Group	Note	2015 $'000	2014 $'000
Foreclosed assets		**24,892**	8,234
Less allowance for impairment loss		**(7,348)**	(3,030)
	13	**17,544**	5,204

The movement in allowance for impairment losses in value of foreclosed assets is as follows:–

The Group	2015 $'000	2014 $'000
Balance at beginning of the year	**3,030**	1,744
Allowance during the year	**4,429**	1,256
Translation differences	**(111)**	30
Balance at the end of the year	**7,348**	3,030

23 Derivative financial instruments

The fair value of the Group's derivative financial instruments was:–

The Company	Note	2015 Assets $'000	2015 Liabilities $'000	2014 Assets $'000	2014 Liabilities $'000
Non-current					
Not designated as hedging instruments					
– Interest rate swaps (v)	20	**–**	3,286	–	2,683

23 Derivative financial instruments (Cont'd)

The Group	Note	2015 Assets $'000	2015 Liabilities $'000	2014 Assets $'000	2014 Liabilities $'000
Non-current					
Designated as cash flow hedges					
– Interest rate swaps (i)		**244**	–	**78**	33
– Cross currency swaps (ii)		**20,222**	–	**11,522**	150
– Cross currency interest rate swap (iii)		**11,859**	–	**5,430**	–
		32,325	–	**17,030**	183
Not designated as hedging					
– Cross currency interest rate swap (iv)		**–**	–	**–**	42,201
– Interest rate swaps (v)		**–**	3,286	**–**	2,683
	10,20	**32,325**	3,286	**17,030**	45,067

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

(i) Interest rate swap

The notional amounts of the interest rate swaps at 31 December 2015 were US$107,042,000 (2014 – US$63,707,000) for derivative assets and US$833,000 (2014 – US$58,207,000) for derivative liabilities.

(ii) Cross currency swap

The notional amounts of the cross currency swaps at 31 December 2015 were US$102,316,000 (2014 – US$104,165,000) for derivative assets and US$Nil (2014 – US$10,500,000) for derivative liabilities.

(iii) Cross currency interest rate swap

The notional amount of the cross currency interest rate swap at 31 December 2015 were US$51,450,000 (2014 – US$22,000,000).

(iv) Cross currency interest rate swap

On 21 March 2012, the Group entered into a Cross Currency Interest Rate Swap ("CCIRS") contract with a financial institution to manage its exposure to the fluctuation of foreign currency and floating interest rate on a bank loan.

23 Derivative financial instruments (Cont'd)

(iv) Cross currency interest rate swap (Cont'd)

Based on the contract, the financial institution pays the Group a series of instalments on loan principal with a total notional amount of $172,044,000, which bears interest at a rate of 6.15% + 3 months JIBOR starting from 14 May 2012 until 14 February 2018, while the Group pays the financial institution a series of instalments on loan principal with a total notional amount of $181,948,000 (US$148,675,000), which bears interest at a rate of 7% + 3 months LIBOR starting from 14 May 2012 until 14 February 2018.

In prior year, the fair value of the CCIRS was recorded as a derivative liability amounting to $42,201,000 (Note 20) and the Group's loss on the valuation of fair value of the CCIRS was recorded as part of "other income" (Note 25) in the consolidated statement of comprehensive income.

During the year, the swap agreement with the financial institution was terminated. The derivative liability as of the termination date of $52,164,441 was settled with the financial institution.

(v) Interest rate swap

During the year, the Company entered into Interest Rate Swap ("IRS") contracts with a financial institution to swap the fixed interest rate to floating interest rate on the notes issued during the year (Note 18). The terms of the contracts were as follows:–

(a) Based on notional amount of $175,000,000, the Company pays the financial institution at interest rate of 5.25% + 6 months SOR while the financial institution pays the Company at fixed interest rate of 5.95%.

(b) Based on notional amount of $150,000,000, the Company pays the financial institution at interest rate of 4.85% + 6 months SOR while the financial institution pays the Company at fixed interest rate of 5.90%.

As of 31 December 2015, the fair value of the swaps were recorded as a derivative liability amounting to $3,286,000 (2014 – $2,683,000) (Note 20) and the Group's loss on valuation of fair value of the swap was recorded as part of "other income" (Note 25) in the consolidated statement of comprehensive income.

Period when the cash flows on cash flow hedges are expected to occur or affect the profit or loss

Interest rate swaps

Interest rate swaps are transacted to hedge variable quarterly interest payments on borrowings that will mature on 31 December 2015. Fair value gains and losses on the interest rate swaps recognised in other comprehensive income are reclassified to profit or loss as part of interest expense over the period of the borrowings.

23 Derivative financial instruments (Cont'd)

Period when the cash flows on cash flow hedges are expected to occur or affect the profit or loss (Cont'd)

Cross currency swaps

Cross currency swaps are transacted to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within three months from the end of the reporting period. The cross currency swaps have maturity dates that coincide within the expected occurrence of these transactions. Gains and losses recognised in other comprehensive income prior to the occurrence of these hedged forecast transactions affect profit or loss. This is generally within three months from the end of the reporting period. For those cross currency swaps used to hedge highly probable forecast foreign currency purchases of property, plant and equipment, fair value gains and losses are included in the cost of the assets and recognised in profit or loss over their estimated useful lives as part of depreciation expense.

24 Revenue

The Group	2015 $'000	2014 $'000
Sales of goods	**1,656,178**	1,882,030
Rendering of services	**4,730**	4,691
Financials services	**125,146**	106,459
Electricity and water supply	**102,713**	103,971
Rental and related income	**107,645**	108,631
Sales of land and factory	**2,538**	90,337
Golf revenue	**4,981**	5,022
Ferry services	**18,726**	18,359
Telecommunication	**1,999**	1,836
Clinic operation	**839**	1,453
Others	**2,610**	5,539
	2,028,105	2,328,328

25 Other income

The Group	**2015** **$'000**	**2014** **$'000**
Exchange gain, net	**1,628**	3,055
Gain on disposal of property, plant and equipment	**673**	33,172
Interest income	**15,806**	10,064
Other telecommunication income	**768**	793
Bank charges	**(28)**	(25)
Bad debt recovered	**8,657**	7,832
Commission income	**839**	1,545
Penalty income	**6,386**	4,817
Sales incentive and dealer development	**8,040**	11,416
Scrap income	**360**	504
Subsidy income (for sales or promotion)	**1,573**	11,691
Loss on derivative financial instrument (Note 23(iv) &(v))	**(7,454)**	10,949
Management fee income	**367**	173
Gain on disposal of investment in shares (including associates)	**8,531**	10,496
Gain from early redemption of bond (Note 18)	**9,870**	–
Others	**2,962**	7,320
	58,978	113,802

26 Other operating expenses

The Group	2015 $'000	2014 $'000
Communication	**1,793**	1,951
Depreciation and amortisation	**13,055**	12,483
Entertainment	**425**	493
Insurance	**2,341**	1,831
Management fee	**514**	1,018
Marketing and promotion expenses	**16,408**	26,890
Professional fees	**1,193**	1,259
Rental	**7,369**	5,955
Repairs and maintenance	**3,430**	3,385
Representation costs	**1,649**	1,231
Staff costs and related expenses	**46,552**	43,836
Taxes and licences	**3,576**	3,404
Transport and travelling	**6,156**	6,512
Printing and stationeries	**137**	167
Packing and delivery	**15,197**	15,433
Security expenses	**5,668**	4,141
Sales commission and incentive	**9,746**	11,336
Allowance for impairment losses and loss on sales of foreclosed assets	**17,479**	10,218
Utilities	**3,476**	3,154
Office supplies	**3,157**	2,576
Others	**8,947**	6,977
	168,268	164,250

27 Finance costs

The Group	2015 $'000	2014 $'000
Interest expense on:		
– Bank loans and short term loans	**99,019**	113,017
– Finance lease	**15**	21
– Debt securities	**45,805**	18,342
– Other loans	**369**	245
	145,208	131,625

28 (Loss)/Profit before taxation

The Group	Note	2015 $'000	2014 $'000
Loss before taxation has been arrived at after charging/(crediting):			
Audit fee paid to:			
– auditor of the Company		**314**	252
– other auditors		**588**	710
Non-audit fees paid to:			
– auditor of the Company		**24**	32
– other auditors		**54**	83
Costs of inventories recognised as expenses		**1,398,176**	1,629,994
Allowance for inventories obsolescence	12	**–**	113
Reversal of allowance for inventories obsolescence	12	**–**	(102)
Allowance for impairment of financing receivables	8	**28,301**	17,702
Allowance for impairment of foreclosed assets	22	**4,429**	1,256
Amortisation of intangible assets	3	**16,408**	16,404
Depreciation of property, plant and equipment	4	**86,601**	83,893
Depreciation of investment properties	5	**23,025**	22,557
Directors' fees		**405**	355
Directors' remuneration			
– Directors' salaries and related costs		**3,054**	2,972
– CPF contributions		**39**	37
		3,093	3,009
Foreign exchange gain, net		**(1,628)**	(3,055)
Net allowance for impairment of trade and other receivables	13	**3,010**	1,968
Operating lease rentals			
– office equipment and office premises		**1,539**	1,527
Provision for employees' benefits	19	**5,235**	4,674
Rental income (included in revenue)			
– investment properties	5	**(28,621)**	(26,587)
Operating expenses arising from investment properties that generated rental income	5	**27,878**	23,714
Staff costs (other than Directors)			
– salaries and related costs		**112,725**	114,324
– CPF contributions		**621**	609
		113,346	114,933

29 Taxation

The Group	Note	2015 $'000	2014 $'000
Current taxation			
Indonesia tax		**24,969**	28,107
Singapore tax		**373**	460
		25,342	28,567
Deferred taxation			
Indonesia tax		**2,010**	(5,071)
Singapore tax		**(291)**	(4,870)
	9	**1,719**	(9,941)
		27,061	18,626

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the Group's (loss)/profit as a result of the following:

The Group	2015 $'000	2014 $'000
(Loss)/profit before taxation	**(136,315)**	12,390
Tax at applicable statutory tax rates	**(9,269)**	533
Difference of tax effects on gross income subject to final tax instead of corporate tax	**249**	7,868
Tax effects on non-taxable income	**(863)**	(10,161)
Tax effects on non-deductible expenses	**7,745**	5,197
Deferred tax on temporary differences not recognised in prior years	**29,199**	15,189
	27,061	18,626

30 Other comprehensive income/(expense) after taxation

The Group	Before tax $'000	Tax expense $'000	Net of tax $'000
31 December 2015			
Disclosure of tax effects relating to each component of other comprehensive income/(expense):			
Available-for-sale investments	**(13,139)**	**–**	**(13,139)**
Derivative instruments	**4,688**	**–**	**4,688**
Currency translation differences	**750**	**–**	**750**
Actuarial losses arising during the period	**(1,810)**	**–**	**(1,810)**
	(9,511)	**–**	**(9,511)**
31 December 2014			
Available-for-sale investments	5,558	–	5,558
Derivative instruments	(2,377)	–	(2,377)
Currency translation differences	25,839	–	25,839
Actuarial losses arising during the period	(209)	51	(158)
	28,811	51	28,862

31 Loss per share

The Group

The basic loss per share is calculated based on the consolidated losses attributable to owners of the parent divided by the weighted average number of shares in issue of 4,824,965,112 (2014 – 4,824,965,112) shares during the financial year.

Fully diluted earnings per share were calculated on the consolidated profits attributable to owners of the parent divided by 5,074,965,112 (2014 – 5,074,965,112) ordinary shares. The number of ordinary shares is calculated based on the weighted average number of shares in issue during the financial year adjusted for the effects of the dilutive issuable shares from the convertible bond. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the year or if later, the date of the issue of the potential ordinary shares.

31 Loss per share (Cont'd)

The following tables reflect the profit or loss and share data used in the computation of basic and diluted (loss)/earnings per share for the years ended 31 December:

The Group	2015	2014
Basic loss per share (in cents)	**(3.003)**	(0.064)
Diluted loss per share (in cents)	**(3.003)**	(0.064)

The calculation of loss per share attributable to ordinary equity holders of the Company is based on the following:

The Group	2015 $'000	2014 $'000
Loss attributable to shareholders	**(144,877)**	(3,065)

Number of shares used for the calculation of loss per share is as follows:

The Group	No. (in thousands)	No. (in thousands)
Weighted average number of ordinary shares for purposes basic earnings per share	**4,824,965**	4,824,965
Effects of dilution:		
Assumed conversion of convertible bond	**250,000**	250,000
Weighted average number of ordinary shares for diluted earnings per shares ('000)	**5,074,965**	5,074,965

In the current and previous years, 250,000,000 shares granted under the conversion right of the convertible bonds have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

32 Commitments

(a) Capital Commitments

Capital expenditure contracted for at the end of the reporting date, but not recognised in the financial statements is as follows:

The Group	**2015 $'000**	**2014 $'000**
Capital expenditure contracted but not provided for	–	130

(b) Operating lease commitments

Where the company is the lessee

At the end of the reporting period, the Company was committed to making the following lease rental payments under non-cancellable operating leases for office premises and office equipment with a term of:

	The Company		**The Group**	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Lease rentals payable:				
Not later than one year	**703**	756	**1,414**	1,610
Later than one year and not later than five years	**2,469**	513	**2,701**	1,651
Later than five years	**413**	–	**413**	238

The Company had entered into a new lease agreement starting from 1 September 2016 and will expire on 31 August 2021. The current lease rental payable is $49,457 per month on the 1st year and incremental of 1.4% every year.

The leases for the office equipment on which rental is payable will expire on 31 January 2018, and the current rental payable on the lease is $439 per month which are subject to revision on renewal of lease agreement.

The leases on the Group's office premises, office equipment, warehouse rental on which rental is payable will expire between 17 May 2016 and not later than 31 August 2021, and the current rental payable on the lease are between $300 to $65,505 per month which are subject to revision on renewal of lease agreement.

32 Commitments (Cont'd)

(b) Operating lease commitments (Cont'd)

Where the company is the lessor

The future minimum lease payments receivables under non-cancellable operating leases from sites with a term of more than one year are as follows:

	The Company		The Group	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Lease rental receivable:				
Not later than one year	**310**	361	**23,381**	18,765
Later than one year and not later than five years	**853**	241	**41,370**	20,251
Later than five years	**146**	–	**7,515**	148

The leases on the Company's premises on which rentals are received will expire on 31 August 2021. The current rent receivable on the lease ranges from $3,049 to $8,835 per month.

The leases on the Group's premises on which rentals are received will expire between 5 January 2016 and not later than 31 March 2035. The current rent receivable on the lease ranges from $1,976 to $138,255 per month which are subject to revision on renewal of lease agreement.

33 Related parties transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

33 Related parties transactions (Cont'd)

In addition to the related party information disclosed elsewhere in the financial statements, there were significant related party transactions which were carried out in the normal course of business on terms agreed between the parties as follows:

The Group	2015 $'000	2014 $'000
(a) With associates and joint ventures		
Management fees paid	**231**	–
Sales of goods and services	**(769)**	(829)
Purchase of goods and services	**7**	–
Interest Income	**629**	579
(b) With related companies and associates of ultimate holding company		
Management fees paid	**446**	531
Human resource management fee	**435**	706
Interest income	**(3,124)**	(2,701)
Purchase of goods and services	**6,125**	3,842
Sales of goods and services	**(39,669)**	(52,011)
(c) Remuneration of directors of the Company and key management personnel of the Group		
Salaries and other short-term employee benefits	**3,093**	3,009

34 Operating segments

For management purposes, the Group is organised into the following reportable operating segments as follows:–

(i) Industrial parks segment

Industrial parks segment is engaged in activities consisting of the development, construction, operation and maintenance of industrial properties in Batam Island and Bintan Island together with the supporting infrastructure activities.

(ii) Utilities segment

Utilities segment is engaged in the activities of provision of electricity and water supply, telecommunication services and waste management and sewage treatment services to the industrial parks in Batam Island and Bintan Island as well as resorts in Bintan Island.

34 Operating segments (Cont'd)

(iii) Resort operations segment

The resort operations segment is engaged in the activities of provision of services to resort operators in Bintan Resort including ferry terminal operations, workers accommodation, security, fire-fighting services and facilities required by resort operators.

(iv) Property development segment

Property development segment is engaged in the activities of developing industrial and resort properties in Batam Island and Bintan Island.

(v) Automotive segment (including workshops)

PT IMAS is considered as one operating segment and is organised into automotive segment because the decisions for resource allocation and performance assessment are made directly by the board of PT IMAS, taking into account the opinion of the Company's Board. The automotive segment is engaged in activities of vehicle sales distribution, after sales services, vehicle ownership financing, spare part distribution, vehicle assembly, automotive parts manufacturing and other related supporting services.

34 Segment information (Cont'd)

The Group	Industrial Parks		Utilities		Resort Operations		Property Development		Automotive		Corporate		Elimination		Total	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Business segments																
Operating revenue																
External sales	**37,487**	39,624	**104,797**	105,807	**21,203**	21,225	**54**	87,672	**1,864,564**	2,074,000	**–**	–	**–**	–	**2,028,105**	2,328,328
Inter segment sales	**–**	–	**86**	–	**76**	58	**–**	–	**–**	–	**–**	–	**(162)**	(58)	**–**	–
Total sales	**37,487**	39,624	**104,883**	105,807	**21,279**	21,283	**54**	87,672	**1,864,564**	2,074,000	**–**	–	**(162)**	(58)	**2,028,105**	2,328,328
Segment results																
(Loss)/profit from operations	**(7,609)**	(7,357)	**23,681**	18,454	**(4,320)**	(5,255)	**(9,643)**	67,977	**43,778**	93,479	**(10,723)**	11,647	**–**	–	**35,164**	178,944
Share of associates' results															**(26,271)**	(34,927)
Finance costs															**(145,208)**	(131,626)
Profit before taxation															**(136,315)**	12,390
Taxation															**(27,061)**	(18,626)
(Loss)/profit after Taxation															**(163,376)**	(6,236)
Attributable to:																
Equity holders of the Company															**(144,877)**	(3,065)
Non-controlling interests															**(18,499)**	(3,171)
															(163,376)	(6,236)
Assets																
Segment assets	**206,258**	202,313	**166,087**	69,449	**34,586**	39,643	**697,085**	709,373	**1,644,884**	1,780,203	**1,305,818**	1,457,417	**–**	–	**4,054,718**	4,258,398
Associates															**450,744**	470,298
Unallocated corporate assets															**461,244**	128,045
Total assets															**4,966,706**	4,856,741
Liabilities																
Segment liabilities	**22,449**	21,399	**38,677**	37,278	**5,895**	6,456	**15,828**	18,724	**1,359,108**	1,868,549	**43,703**	36,175	**–**	–	**1,485,660**	1,988,581
Unallocated corporate liabilities															**1,448,388**	858,744
Total liabilities															**2,934,048**	2,847,325

34 Segment information (Cont'd)

The Group	Industrial Parks		Utilities		Resort Operations		Property Development		Automotive		Corporate		Elimination		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Other information																
Capital expenditure	**9,079**	1,825	**1,216**	376	**4,286**	6,237	**331**	184	**95,846**	171,816	**14**	50	**–**	–	**110,772**	180,488
Software costs	**8**	69	**–**	–	**–**	–	**–**	–	**–**	–	**53**	12	**–**	–	**61**	81
Allowance for inventories obsolescence	**–**	31	**–**	–	**–**	–	**–**	–	**–**	82	**–**	–	**–**	–	**–**	113
Amortisation of intangible assets	**30**	21	**–**	–	**7**	7	**–**	18	**16,227**	16,227	**144**	131	**–**	–	**16,408**	16,404
Depreciation of property, plant and equipment	**3,385**	5,059	**17,334**	15,761	**7,190**	8,469	**254**	254	**58,067**	53,938	**371**	412	**–**	–	**86,601**	83,893
Depreciation of investment properties	**22,576**	22,557	**–**	–	**–**	–	**–**	–	**449**	–	**–**	–	**–**	–	**23,025**	22,557
Gain/(Loss) on disposal of property, plant and equipment	**–**	4	**–**	15	**–**	1,576	**–**	7	**673**	31,570	**–**	–	**–**	–	**673**	33,172
Impairment of trade and other receivables	**687**	584	**–**	–	**113**	65	**–**	–	**2,473**	1,725	**–**	–	**–**	–	**3,273**	2,374

34 Operating segments (Cont'd)

The Group

Geographical segments

The Group operates mainly in Indonesia. Accordingly, analysis by geographical segments is not presented.

Segment revenue and segment expense

All segment revenue and expense are directly attributable to the segments.

Segment assets and liabilities

Segment assets include all operating assets and consist principally of trade and other receivables, land inventories, other inventories, financing receivables, investment properties and property, plant and equipment, net of allowances and provisions. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated on a reasonable basis.

Segment liabilities include all operating liabilities and consist principally of operating payables.

Segment assets and liabilities do not include cash and cash equivalents, notes receivables, deferred tax assets, deferred tax liabilities, current tax payable, loans and borrowings.

The Group does not have any major customers.

35 Financial risk management objectives and policies

The Company and the Group have financial risk management policies setting out the Company's and the Group's overall business strategies and its risk management philosophy. The Company and the Group are exposed to financial risks arising from its diversified operations and the use of financial instruments. The financial risks included market price risk, foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets on the Company's and the Group's financial performance. The Company and the Group use financial instruments, principally interest rate swaps and cross-currency swaps to hedge certain risk exposures.

The Company co-ordinates, under the directions of the directors, financial risk management policies and their implementation on a group-wide basis. The Group's policies are designed to manage the financial impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. It is the Group's policy not to enter into derivative transactions for speculative purposes. The notional amounts and fair values of derivative financial instruments at 31 December 2015 are disclosed in Note 23.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(a) **Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk arising from the changes in market interest rates which leads to the fluctuation of the fair value or future cash flows of the financial instruments.

The Group is financed through interest-bearing bank loans, other borrowings such as shareholders' loans, and advances from related parties and debt securities. Therefore, the Group's exposures to market risk for changes in interest rates relate primarily to its long-term borrowings obligations and interest-bearing assets and liabilities. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure by managing its interest cost using a mixture of fixed and variable rate debts and long and short-term borrowings. The Group actively reviews its debt portfolio and evaluates the interest rates are in line with the changes in interest rate which is relevant in the money market. The Group also uses hedging instruments such as interest rate swaps to minimise its exposure to interest rate volatility. The Group designates these interest rate swaps and cross currency interest rate swap as cash flow hedges (Note 23).

Sensitivity analysis for interest rate risk

At the end of reporting period, if Singapore dollar, United States dollar and Indonesian rupiah interest rates had been 50 (2014 – 50) basis points lower/higher with all other variables held constant, the Group's loss net of tax would have been higher/lower by the amounts shown below, arising mainly as a result of lower/higher interest expense on floating rate borrowings.

	Profit or loss	
	2015	**2014**
The Group	**$'000**	**$'000**
Singapore dollar		
– lower 50 basis points (2014 – 50 basis points)	**1,008**	414
– higher 50 basis points (2014 – 50 basis points)	**(1,008)**	(414)
United States dollar		
– lower 50 basis points (2014 – 50 basis points)	**1,213**	2,272
– higher 50 basis points (2014 – 50 basis points)	**(1,213)**	(2,272)
Indonesian rupiah		
– lower 50 basis points (2014 – 50 basis points)	**2,901**	2,832
– higher 50 basis points (2014 – 50 basis points)	**(2,901)**	(2,832)

35 Financial risk management objectives and policies (Cont'd)

(a) Market risk (Cont'd)

(ii) Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising primarily from purchases, assets and liabilities which arise from daily operations that are denominated in a currency other than the respective functional currencies of group entities, primarily Singapore dollar (SGD) and Indonesian rupiah (IDR). The foreign currencies in which these transactions are denominated are mainly United States dollar (USD) and Euro (EURO).

The Company and the Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of reporting period, such foreign currency balances (mainly in IDR and USD) amount to $1,407,000 (2014 – $136,000) and $158,730,000 (2014 – $136,151,000) for the Company and the Group respectively.

The Group maintains a natural hedge, whenever possible by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue streams to be generated from its investments. The Group also enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in foreign currency and these swaps are designated as cash flow hedges (Note 23).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risk and which are held for long term investment purposes, the differences arising from such translation are recorded under the currency translation reserves. These translation differences are reviewed and monitored on a regular basis.

35 Financial risk management objectives and policies (Cont'd)

(a) Market risk (Cont'd)

(ii) Foreign exchange risk (Cont'd)

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies exchange rate, with all other variables held constant, of the Group's profit/(loss) before tax (due to changes in the fair value of monetary assets and liabilities).

	2015		2014	
	Appreciation/ (depreciation) of foreign currency rate	Effect on profit before tax increase/ (decrease) $'000	Appreciation/ (depreciation) of foreign currency rate	Effect on profit before tax increase/ (decrease) $'000
Indonesian rupiah	**4.33%**	**(27,159)**	12.01%	(80,401)
Indonesian rupiah	**(4.33%)**	**27,159**	(12.01%)	80,401
United States dollar	**8.53%**	**24,155**	1.24%	5,005
United States dollar	**(8.53%)**	**(24,155)**	(1.24%)	(5,005)
Euro	**9.31%**	**(1,219)**	1.26%	(180)
Euro	**(9.31%)**	**1,219**	(1.26%)	180
Swedish krona	**13.45%**	**32**	3.87%	41
Swedish krona	**(13.45%)**	**(32)**	(3.87%)	(41)

The average and year end exchange rates for 2015 and 2014 are as follows:

	2015		2014	
	Year end	Average	Year end	Average
Indonesian rupiah	**Rp.9,751/$1**	**Rp.9,732/$1**	Rp.9,422/$1	Rp.9,360/$1
United States dollar	**US$0.71/$1**	**US$0.72/$1**	US$0.76/$1	US$0.79/$1

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group is exposed to market price risks arising from its investment in equity investments quoted on the IDX in Indonesia classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes. The Group does not actively trade available-for-sale investments.

35 Financial risk management objectives and policies (Cont'd)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company or the Group to incur a financial loss. For the subsidiaries engaging in consumer financing, a financial loss will arise when the debtor does not meet its contractual obligation.

The financial assets that potentially subject the Group to significant concentration of credit risk consist principally of cash and bank balances, trade and other receivables, financing receivables, loan and notes receivables. For trade receivables, the Company and the Group adopt the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Company's and the Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group has in place credit policies and procedures to ensure the ongoing credit evaluation and active account monitoring. Credit risk which is encountered by the Group comes from credits given to customers. To reduce this risk, there is a policy to ensure the product sales are to be made to customers who can be trusted and proven to have a good credit history and pass the credit verification. The Group monitors the receivable balance continuously to maximise installment billings and reduce the possibility of doubtful accounts.

The Group's exposures to credit risk arise from default of other parties, with maximum exposure equal to the carrying amount of these instruments. At the reporting date, there were no significant concentrations of credit risk other than the loan receivable, financing receivables, notes receivables and interest receivables as disclosed in Note 8 and Note 10.

The Company's and the Group's major classes of financial assets are bank deposits, trade and other receivables and financing receivables. Cash is held with financial institutions of good standing/established financial institutions/reputable financial institutions. Further details of credit risks on financing receivables and trade and other receivables are disclosed in Note 8 and Note 13 respectively.

(c) Liquidity risk

Liquidity risk is the risk that the Company and the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or other financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group maintains a balance between continuity of accounts receivable collectability and flexibility through the use of borrowings, debt securities and stand-by credit facilities.

35 Financial risk management objectives and policies (Cont'd)

(c) Liquidity risk (Cont'd)

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

The Company	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2015				
Non-derivative financial liabilities:				
Trade and other payables	**17,877**	**–**	**–**	**17,877**
Borrowings	**153,700**	**–**	**–**	**153,700**
Debt securities	**208,671**	**483,654**	**–**	**692,325**
Derivatives liabilities	**1,010**	**2,276**	**–**	**3,286**
Other non-current liabilities	**–**	**90**	**–**	**90**
	381,258	**486,020**	**–**	**867,278**
As at 31 December 2014				
Non-derivative financial liabilities:				
Trade and other payables	19,037	–	–	19,037
Borrowings	144,937	190,317	–	335,254
Debt securities	19,263	451,017	–	470,280
Derivatives liabilities	–	2,683	–	2,683
Other non-current liabilities	–	90	–	90
	183,237	644,107	–	827,344

The Group	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2015				
Non-derivative financial liabilities:				
Trade and other payables	**313,920**	**–**	**–**	**313,920**
Borrowings	**1,061,521**	**622,622**	**–**	**1,684,143**
Debt securities	**277,615**	**747,789**	**–**	**1,025,404**
Derivatives liabilities	**1,010**	**2,276**	**–**	**3,286**
Other non-current liabilities	**–**	**37,835**	**–**	**37,835**
	1,654,066	**1,410,522**	**–**	**3,064,588**
As at 31 December 2014				
Non-derivative financial liabilities:				
Trade and other payables	335,412	–	–	335,412
Borrowings	884,806	804,903	–	1,689,709
Debt securities	176,600	641,179	–	817,779
Derivatives liabilities	42,384	2,683	–	45,067
Other non-current liabilities	–	34,281	–	34,281
	1,439,202	1,483,046	–	2,922,248

35 Financial risk management objectives and policies (Cont'd)

(c) Liquidity risk (Cont'd)

The table below analyses the derivative financial instruments of the Group and the Company for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Company	Less than 1 year $'000	Between 1 and 2 years $'000	Between 3 and 5 years $'000	Over 5 years $'000
As at 31 December 2015				
Net-settled interest rate swaps – Cash flow hedges				
– Net cash inflows	**–**	**(3)**	**–**	**–**
The Company				
As at 31 December 2014				
Net-settled interest rate swaps – Cash flow hedges				
– Net cash inflows	–	(3)	–	–

The Group	Less than 1 year $'000	Between 1 and 2 years $'000	Between 3 and 5 years $'000	Over 5 years $'000
As at 31 December 2015				
Net-settled interest rate swaps – Cash flow hedges				
– Net cash inflows	**22**	**219**	**–**	**–**
Net-settled currency swaps – Cash flow hedges				
– Net receipts/(payments)	**(10,933)**	**3,104**	**(4,427)**	**–**
The Group				
As at 31 December 2014				
Net-settled interest rate swaps – Cash flow hedges				
– Net cash inflows	(8)	50	–	–
Net-settled currency swaps – Cash flow hedges				
– Net receipts/(payments)	(8,676)	1,577	(13,714)	–

The Company and the Group ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Company is able to raise funds through bank borrowings and capital market, and obtain additional funds from the subsidiaries to settle its current liabilities and the subsidiaries will not call for the loans for the next twelve months.

35 Financial risk management objectives and policies (Cont'd)

(d) Project development risk

Construction delays can result in loss of revenue. The failure to complete construction of a project according to its planned specifications or schedule may result in liabilities, reduce project efficiency and lower returns. The Group manages this risk by closely monitoring the progress of all projects through all stages of construction.

36 Capital management

The Company's and Group's objectives when managing capital are:

(a) To safeguard the Company's and the Group's abilities to continue as a going concern;

(b) To support the Company's and the Group's stabilities and growth;

(c) To provide capital for the purpose of strengthening the Company's and the Group's risk management capabilities; and

(d) To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company and the Group currently do not adopt any formal dividend policy.

The Company and the Group monitor capital net debt ratio, which is net debt divided by total capital plus net debt. The Company and the Group include within net debt, total borrowings, less bank balances and short-term deposits. Capital represents total equity of the Group. The capital net debt ratio is monitored both inclusive and exclusive of the Group's financial services companies, which by their nature are generally more leveraged than the Group's other businesses. The Company and the Group do not have a defined gearing ratio benchmark or range.

The capital net debt ratios at 31 December 2015 and 2014 were as follows:

	The Company		The Group	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Including financial service company				
Net Debt	**1,037,198**	1,044,475	**2,181,602**	2,078,949
Total equity + debt	**2,893,087**	2,934,803	**4,217,940**	4,249,657

36 Capital management (Cont'd)

	The Company		The Group	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Excluding financial service company				
Net Debt	**–**	–	**1,337,528**	1,385,351
Total equity + debt	**–**	–	**3,334,758**	3,464,984
Capital net debt ratio excluding financial service companies	**0.36**	0.36	**0.40**	0.38
Capital net debt ratio including financial service companies	**0.36**	0.36	**0.52**	0.49

There were no changes in the Company's and the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements except as disclosed in Note 17 and Note 18.

37 Financial instruments

Accounting classification of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are as follows:

2015	Note	Available -for-sales $'000	Fair value -hedging instrument $'000	Financial assets through profit or loss $'000	Loan and receivables $'000	Total $'000
The Company						
Financial assets						
Trade and other receivables	13	–	–	–	**57,400**	**57,400**
Cash and cash equivalents	14	–	–	–	**18,074**	**18,074**
Other non-current assets	10	–	–	–	**11,649**	**11,649**
		–	–	–	**87,123**	**87,123**
The Group						
Financial assets						
Trade and other receivables	13	–	–	–	**449,034**	**449,034**
Financing receivables	8	–	–	–	**807,071**	**807,071**
Cash and cash equivalents	14	–	–	–	**201,921**	**201,921**
Derivative assets	23	–	**32,325**	–	–	**32,325**
Other non-current assets	10	**92,400**	–	–	**65,644**	**158,044**
		92,400	**32,325**	–	**1,523,670**	**1,648,395**

37 Financial instruments (Cont'd)

Accounting classification of financial assets and financial liabilities (Cont'd)

2015	Note	Fair value -hedging instrument $'000	Financial liabilities through profit or loss $'000	Other financial liabilities within the scope of FRS 39 $'000	Total $'000
The Company					
Financial liabilities					
Trade and other payables	21	–	–	17,877	17,877
Borrowings	17	–	–	145,604	145,604
Debt securities	18	–	–	626,370	626,370
Derivative liabilities	23	–	3,286	–	3,286
Other non-current liabilities	20	–	–	90	90
		–	3,286	789,941	793,227
The Group					
Financial liabilities					
Trade and other payables	21	–	–	339,214	339,214
Borrowings	17	–	–	1,466,322	1,466,322
Debt securities	18	–	–	909,341	909,341
Derivative liabilities	23	–	3,286	–	3,286
Other non-current liabilities	20	–	–	30,761	30,761
		–	3,286	2,745,638	2,748,924

37 Financial instruments (Cont'd)

Accounting classification of financial assets and financial liabilities (Cont'd)

The fair values of financial assets and financial liabilities are as follows:

2014	Note	Available -for-sales $'000	Fair value -hedging instrument $'000	Financial assets through profit or loss $'000	Loan and receivables $'000	Total $'000
The Company						
Financial assets						
Trade and other receivables	13	–	–	–	117,804	117,804
Cash and cash equivalents	14	–	–	–	525	525
Other non-current assets	10	–	–	–	10,159	10,159
		–	–	–	128,488	128,488
The Group						
Financial assets						
Trade and other receivables	13	–	–	–	491,012	491,012
Financing receivables	8	–	–	–	766,085	766,085
Cash and cash equivalents	14	–	–	–	161,292	161,292
Derivative assets	23	–	17,030	–	–	17,030
Other non-current assets	10	107,033	–	–	135,394	242,427
		107,033	17,030	–	1,553,783	1,677,846

37 Financial instruments (Cont'd)

Accounting classification of financial assets and financial liabilities (Cont'd)

2014	Note	Fair value -hedging instrument $'000	Financial liabilities through profit or loss $'000	Other financial liabilities within the scope of FRS 39 $'000	Total $'000
The Company					
Financial liabilities					
Trade and other payables	21	–	–	19,037	19,037
Borrowings	17	–	–	347,428	347,428
Debt securities	18	–	–	414,274	414,274
Derivative liabilities	23	–	2,683	–	2,683
Other non-current liabilities	20	–	–	90	90
		–	2,683	780,829	783,512
The Group					
Financial liabilities					
Trade and other payables	21	–	–	335,412	335,412
Borrowings	17	–	–	1,505,126	1,505,126
Debt securities	18	–	–	727,905	727,905
Derivative liabilities	23	183	44,884	–	45,067
Other non-current liabilities	20	–	–	27,664	27,664
		183	44,884	2,596,107	2,641,174

38 Fair value measurement

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

38 Fair value measurement (Cont'd)

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2015 and 31 December 2014.

	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2015					
Financial assets					
The Group					
Quoted and unquoted financial assets	10	**64,090**	**–**	**28,310**	**92,400**
Derivative assets	23	**–**	**32,325**	**–**	**32,325**
		64,090	**32,325**	**28,310**	**124,725**
Financial liabilities					
The Company					
Derivative liabilities	23	**–**	**3,286**	**–**	**3,286**
The Group					
Derivative liabilities	23	**–**	**3,286**	**–**	**3,286**

	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2014					
Financial assets					
The Group					
Quoted and unquoted financial assets	10	79,367	–	27,666	107,033
Derivative assets	23	–	17,030	–	17,030
		79,367	17,030	27,666	124,063
Financial liabilities					
The Company					
Derivative liabilities	23	–	2,683	–	2,683
The Group					
Derivative liabilities	23	–	45,067	–	45,067

(i) Level 1 fair value measurements

The available-for-sale equity investment held by the Group is traded in active markets and is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets held by the Group is the current market price.

38 Fair value measurement (Cont'd)

(ii) Level 2 fair value measurements

The Group's derivatives consist of interest rate swap contracts and cross currency interest rate swap contracts. These derivatives are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, foreign exchange spot and forwards rates, interest rate curves and forward rate curves. The Group held unquoted investments in shares of stock.

(iii) Level 3 fair value measurements

The Group held unquoted investments in shares of stock. The fair values are determined by reference to these investments' net assets values as stated in their audited financial statements.

(iv) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The carrying amount of trade and other receivables (Note 13), current financing receivables (Note 8), cash and cash equivalent (Note 14), trade and other payable (Note 21), current borrowings (Note 17) and debt securities (Note 18) are reasonable approximation of fair values due to their short term nature.

The carrying amounts of other non-current assets (Note 10), other non-current liabilities (Note 20) and non-current borrowings (Note 17) and debt securities (Note 18) are reasonable approximation of fair values as their interest rate approximate the market lending rate.

39 Events after end of reporting period

(i) On 3 February 2016, the Group's subsidiary, PT Indomobil Finance Indonesia ("PT IMFI"), issued bonds with nominal value of Rp500,000,000,000 which consists of:–

(1) Series A Bonds – the term of the bonds is 370 calendar days.

(2) Series B Bonds – the term of the bonds is 3 years

(3) Series C Bonds – the term of the bonds is 4 years.

(ii) In January 2016, one of the Group's subsidiary established a company, PT Seino Indomobil Logistics Services ("PT SILS") with Seino Holdings Co., Ltd. to engage in information technology activities and services. The Group holds 51% of PT SILS.

(iii) In February 2016, the Group increased its shareholding in PT Garuda Mataram Motor ("PT GMM"), one of the subsidiaries, to 99.9%.

(iv) In February 2016, the Group signed an agreement to subscribe additional shares in PT Nissan Motor Indonesia, an associate of the Group, for an amount of US$27.5 million.

39 Events after end of reporting period (Cont'd)

(v) In February 2017, the Company has repurchased $30 million and $13.25 million of Notes in series 002 and series 003 issued by the Company under the Euro Medium Term Note Programme. After the repurchased, the aggregate outstanding principal amount of the Notes in Series 002 and Series 003 are $120,000,000 and $61,750,000, respectively.

(vi) There are changes in the Group's subsidiary, PT Indomobil Sukses Internasional's effective shareholding in certain subsidiaries as follows;

(a) PT Furukawa Indomobil Battery Manufacturing from 49% to 19.57%

(b) PT Indomobil Prima Niaga from 99% to 99.81%

(c) PT Unicor Prima Motor from 72.58% to 75.13%

(vii) The Group has established the following companies:–

(a) PT Indomobil Edukasi Utama engages in education services. The Group's subsidiaries, PT Indomobil Multi Jasa and PT CSM Corporatama hold 100% shareholding of the company established.

(b) Teachcast Global Pte. Ltd engages in education services. The Group's subsidiary, PT IMG Sejahtera Langgeng holds 80% while Teachcast LLC holds the remaining 20%

(c) PT Gallant Lagoi Abadi, PT Gallant Lagoi Berjaya, PT Gallant Lagoi Cemerlang, PT Gallant Lagoi Damai, PT Gallant Lagoi Elok, PT Gallant Lagoi Fenomena, PT Gallant Lagoi Gemilang, PT Gallant Lagoi Harmoni, PT Gallant Lagoi Inti and PT Gallant Lagoi Jaya. The Group holds 100% and these companies engage in hotel investment.

(viii) The Group has obtained credit facilities from PT Bank Danamon Indonesia and PT Bank Mizuho Indonesia.

(ix) The Group has repaid the loan of $17,015,000 from UOB Bank on 19 January 2017.

40 Prior year adjustment and comparative figures

Restatements arising from Advisory Letter

Arising from the Advisory Letter as disclosed in Note 1, certain financial line items in the financial years ended 31 December 2015 were restated. The effect of the prior year adjustment and the restatements arising from the Advisory Letter are as follows:

	Year ended 31 December 2015 as reported $'000	Restatement $'000	Year ended 31 December 2015 as restated $'000
Cash Flows from Operating Activities			
(Loss)/profit before taxation	(98,986)	(37,329)[c]	(136,315)
Adjustments for:			
Amortisation of intangible assets	16,408	–	16,408
Depreciation of property, plant and equipment and investment properties	109,626	–	109,626
Unrealised currency translation losses	549	(549)[c]	–
Gain on disposal of property, plant and equipment	(673)	–	(673)
Impairment of trade and other receivables	31,311	–	31,311
Impairment of foreclosed assets	4,429	–	4,429
Loss on sales of foreclosed assets	13,050	–	13,050
Allowance for inventories obsolescence	–	–	–
Provision for employees' benefits	5,235	–	5,235
Interest expense	145,208	–	145,208
Interest income	(31,823)	16,017 [c]	(15,806)
Fair value loss on derivative instruments	603	–	603
Loss on disposal of investment in shares	–	691[c]	691
Gain on disposal of associates	(8,531)	(691)[c]	(9,222)
Share of associates' result	18,029	8,242[c]	26,271
Operating profit before working capital changes	204,435	(13,619)[c]	190,816
Increase in land inventories	(20,229)	–	(20,229)
Decrease in other inventories	67,192	713[c]	67,905
Increase in operating receivables	(35,833)	29,198[c]	(6,635)
Increase in operating payables	88,386	(60,091)[c]	28,295
Cash generated from operating activities	303,951	(43,799)[c]	260,152
Income tax paid	(81,869)	41,882[c]	(39,987)
Interest paid	(166,365)	–	(166,365)
Interest received	12,353	–	12,353
Employee benefits paid	–	(1,100)[c]	(1,100)
Deposits refunded/(paid) to tenants/ golf members	91	(91)[c]	–
Net cash generated from operating activities	68,161	(3,108)[c]	**65,053**

40 Prior year adjustment and comparative figures (Cont'd)

Restatements arising from Advisory Letter (Cont'd)

	Year ended 31 December 2015 as reported $'000	Restatement $'000	Year ended 31 December 2015 as restated $'000
Cash Flows from Investing Activities			
Acquisition of intangible assets	(61)	–	(61)
Acquisition of property, plant and equipment	(110,772)	–	(110,772)
Acquisition of investment properties	(2,440)	–	(2,440)
Dividend from associates	753	–	753
Proceeds from disposal of property, plant and equipment	14,941	–	14,941
Proceeds from sales of associates	20,980	25[(c)]	21,005
Acquisition of associates	(12,073)	–	(12,073)
Short term investment	–	(28,956)[(c)]	(28,956)
Acquisition of other assets	(31,240)	31,240[(c)]	–
Net cash used in investing activities	(119,912)	2,309[(c)]	(117,603)
Cash Flows from Financing Activities			
Proceeds from other financing activities	413,135	–	413,135
Repayment of other financing activities	(234,723)	(22)[(c)]	(234,745)
Acquisition of non-controlling interests	823	(573)[(c)]	250
Proceeds from additional capital stock contribution of NCI	823	–[(c)]	823
Proceeds from bank borrowings	2,498,205	543[(c)]	2,498,748
Repayment of bank borrowings	(2,580,308)	28[(c)]	(2,580,280)
Dividends paid to non-controlling interests	(2,594)	–	(2,594)
Net cash generated from financing activities	94,538	799[(c)]	95,337
Increase/(decrease) in cash and cash equivalents	42,786	–	42,786
Cash and cash equivalents at beginning of year	161,292	–	161,292
Effect of currency translation on cash and cash equivalent	(2,157)	–	(2,157)
Cash and cash equivalents at end of year	201,921	–	201,921

40 Prior year adjustment and comparative figures (Cont'd)

Restatements arising from Advisory Letter (Cont'd)

Consolidated Statement of Financial Position

The Group	As at 31 December 2015 as previously reported $'000	Effect of Restatement $'000	As at 31 December 2015 as restated $'000
Intangible assets	788,666	(20,579)[b]	768,087
Associates	215,405	235,299[c]	450,704
Other non-current assets	626,979	(407,464)[c]	219,515
Other non-current liabilities	35,524	7,074[c]	42,598
Reserves	(176,819)	29,572[c],[d]	(147,247)
Accumulated losses	(5,534)	(229,390)[b],[c]	(234,924)
Equity attributable to equity holders of the Company	1,697,801	(199,818)	1,497,983

The Company	Balance at 31 December 2015 as previously reported $'000	Effect of restatement $'000	Balance at 31 December 2015 as restated $'000
Subsidiaries	2,557,260	(20,579)[b]	2,536,681
Accumulated losses	(101,760)	(20,579)[b]	(122,339)

Consolidated Statement of Comprehensive Income

The Group	As at 31 December 2015 as reported $'000	Effect of restatement $'000	As at 31 December 2015 as restated $'000
Other income	83,423	(24,445)[c]	58,978
General and administrative expenses	(163,804)	(4,642)[c]	(168,446)
Share of associate companies' result	(18,029)	(8,242)[c]	(26,271)
Loss before taxation	(98,986)	(37,329)[c]	(136,315)
Taxation	(27,061)	–	(27,061)
Loss after taxation	(126,047)	(37,329)[c]	(163,376)
Currency translation differences	(12,411)	13,161[c]	750
Loss attributable to:			
– Equity holders of the Company	(107,548)	(37,329)[c]	(144,877)
– Non-controlling interests	(18,499)	–	(18,499)
Basic earnings per share (cents)	(2.229)	(0.774)[c]	(3.003)
Diluted earnings per share (cents)	(2.229)	(0.774)[c]	(3.003)

40 Prior year adjustment and comparative figures (Cont'd)

Consolidated Statement of Cash Flows

	Year ended 31 December 2014, as previously reported $'000	Restatement $'000	Year ended 31 December 2014, as restated $'000
Cash Flows from Operating Activities			
Profit before taxation	22,972	(10,582) [(c)]	12,390
Adjustments for:			
Amortisation of intangible assets	16,404	–	16,404
Depreciation of property, plant and equipment and investment properties	106,450	–	106,450
Currency translation difference	29,604	(29,604) [(a)]	–
Gain on disposal of property, plant and equipment	(33,174)	2[(a)]	(33,172)
Impairment of foreclosed assets	–	1,256[(a)]	1,256
Loss on sales of foreclosed assets	–	8,962[(a)]	8,962
Impairment/(reversal) of trade and other receivables	5,021	14,649[(a)]	19,670
Allowance for inventories obsolescence	11	102[(a)]	113
Provision for employees' benefits	4,674	–	4,674
Interest expense	131,625	1[(a)]	131,626
Interest income	(27,103)	17,039[(a)]	(10,064)
Fair value loss/(gain) on derivative instruments	2,683	–	2,683
Gain on disposal of a subsidiary	(10,496)	–	(10,496)
Loss on disposal of an associate	–	–	–
Share of associates' result	30,625	4,302[(a)]	34,927
Operating profit before working capital changes	279,296	6,127[(a)]	285,423
Increase in land inventories	(12,706)	–	(12,706)
Decrease in other inventories	112,028	12,344[(a)]	124,372
(Increase)/decrease in operating receivables	(206,950)	4,208[(a)]	(202,742)
Increase/(decrease) in operating payables	92,219	(11,945) [(a)]	80,274
Cash generated from operating activities	263,887	10,734[(a)]	274,621
Income tax paid	(36,361)	–	(36,361)
Interest paid	(173,217)	–	(173,217)
Interest received	6,731	–	6,731
Employee benefit paid	(936)	–	(936)
Deposits refunded to tenants/golf members	(155)	155[(a)]	–
Net cash generated from operating activities	59,949	10,889[(a)]	70,838

40 Prior year adjustment and comparative figures (Cont'd)

Consolidated Statement of Cash Flows (Cont'd)

	Year ended 31 December 2014, as previously reported $'000	Restatement $'000	Year ended 31 December 2014, as restated $'000
Cash Flows from Investing Activities			
Acquisition of intangible assets	(81)	–	(81)
Acquisition of property, plant and equipment	(180,488)	–	(180,488)
Acquisition of investment properties	(588)	–	(588)
Dividend from associates	4,346	–	4,346
Proceeds from disposal of property, plant and equipment	50,930	(2) [a]	50,928
Acquisition of subsidiaries, net cash outflow on acquisition	–	–	–
Acquisition of associates	(26,584)	–	(26,584)
Disposal of subsidiaries, net of cash disposal	2,710	–	2,710
Acquisition of other assets	(33)	33[a]	–
Net cash used in investing activities	(149,788)	31[a]	(149,757)
Cash Flows from Financing Activities			
Proceeds from other financing activities	404,256	(25,822) [a]	378,434
Repayment of other financing activities	(94,148)	32,460[a]	(61,688)
Acquisition of non-controlling interests	–	23[a]	23
Proceeds from bank borrowings	730,433	764,352[a]	1,494,785
Repayment of bank borrowings	(959,721)	(795,128) [a]	(1,754,849)
Proceeds from additional capital stock contribution of Non-controlling interest	–	16,319[a]	16,319
Dividends paid to non-controlling interests	(1,589)	(2,199) [a]	(3,788)
Net cash generated from financing activities	79,231	(9,995) [a]	69,236
(Decrease)/increase in cash and cash equivalents	(10,608)	925[a]	(9,683)
Cash and cash equivalents at beginning of year	168,363	–	168,363
Effect of currency translation on cash and cash equivalent	3,537	(925) [a]	2,612
Cash and cash equivalents at end of year	161,292	–	161,292

40 Prior year adjustment and comparative figures (Cont'd)

Consolidated Statement of Financial Position

The Group	**Balance at 31 December 2014 as previously reported $'000**	**Effect of restatement $'000**	**Balance at 31 December 2014 as restated $'000**
Intangible assets	805,013	(20,579)[(b)]	784,434
Other non-current assets	646,074	(379,359)[(c)]	266,715
Associates	239,393	230,905[(c)]	470,298
Other non-current liabilities	73,917	6,617[(c)]	80,534
Reserves	28,373	(171,071)[(c),(d)]	(142,698)
Accumulated profit/(losses)	102,014	(192,061)[(b),(c)]	(90,047)
Non-controlling interests	174,525	187,482[(d)]	362,007
Equity attributable to equity holders of the Company	2,010,541	(363,132)[(b),(c)]	1,647,409

The Company	**Balance at 31 December 2014 as previously reported $'000**	**Effect of restatement $'000**	**Balance at 31 December 2014 as restated $'000**
Subsidiaries	2,557,260	(20,579)[(b)]	2,536,681
Accumulated losses	(49,772)	(20,579)[(b)]	(70,351)

40 Prior year adjustment and comparative figures (Cont'd)

Consolidated Statement of Comprehensive Income

The Group	Balance at 31 December 2014 as previously reported $'000	Effect of restatement $'000	Balance at 31 December 2014 as restated $'000
Other income	120,011	(6,209)[(c)]	113,802
General and administrative expenses	(151,947)	(71)[(c)]	(152,018)
Share of associate companies' result	(30,625)	(4,302)[(c)]	(34,927)
Profit before taxation	22,972	(10,582)[(c)]	12,390
Taxation	(18,626)	–	(18,626)
Profit after taxation	4,346	(10,582)[(c)]	(6,236)
Currency translation differences	17,222	8,617[(c)]	25,839
Profit attributable to:			
– Equity holders of the Company	7,517	(10,582)[(c)]	(3,065)
– Non-controlling interests	(3,171)	–	(3,171)
Basic earnings per share (cents)	0.156	(0.22)[(c)]	(0.064)
Diluted earnings per share (cents)	0.148	(0.212)[(c)]	(0.064)

(a) Restatement arising for note 1(a) – classification of currency translation

(b) Restatement arising for note 1(b) – bond accounting

(c) Restatement arising for note 1(c) – consolidation of MSL as a subsidiary

(d) Restatement arising for note 1(d) – classification of non-controlling interest

COMPARISON BETWEEN THE ORIGINAL FY2014 FINANCIAL STATEMENTS AND THE RESTATED AND RE-AUDITED FY2014 FINANCIAL STATEMENTS

Consolidated Statement of financial position

	As at 31.12.2014 Based on the Original FY2014 Financial Statements S$'000	Effect of Restatement S$'000	As at 31.12.2014 Based on the Restated and Re-audited FY2014 Financial Statements S$'000
Intangible assets	805,013	(20,579)	784,434
Associates	239,393	230,905	470,298
Other non-current assets	646,074	(379,359)	266,715
Other non-current liabilities	73,917	6,617	80,534
Reserves	28,373	(171,071)	(142,698)
(Accumulated losses)/ retained profits	102,014	(192,061)	(90,047)
Non-controlling interests	174,525	187,482	362,007

The "Intangible assets" in the Restated and Re-audited FY2014 Financial Statements decreased by S$20.6 million owing to adjustment to goodwill, previously recorded as other income. This adjustment arises from the fair value adjustment of the Non-Convertible Bonds in connection with the acquisition of PT IMAS.

The changes in the "Associates", "Other non-current assets", and "Other non-current liabilities" in the Restated and Re-audited FY2014 Financial Statements arose from the consolidation of the financial results of MSL with the financial results of the Group, as MSL was deemed to be a subsidiary of the Company since March 2010.

The "Reserves" in the Restated and Re-audited FY2014 Financial Statements decreased by S$171.1 million due to the following reasons:

(a) the reclassification of the non-controlling interests from other reserves to reflect the acquisition of an additional 19.14% in PT IMAS, as an equity transaction with non-controlling interests; and

(b) the consolidation of MSL's accumulated other comprehensive losses from March 2010 to FY2014.

The "(Accumulated losses)/retained profits" in the Restated and Re-audited FY2014 Financial Statements decreased by S$192.1 million, owing to the inclusion of MSL's losses from March 2010 to FY 2014 and the fair value adjustment of S$20.6 million to the non-convertible bonds.

The "Non-controlling interests" in the Restated and Re-audited FY2014 Financial Statements increased by S$187.5 million as compared to the Original FY2014 Financial Statements due to the restatement of the non-controlling interest transferred to equity, following the acquisition of an additional 19.14% in PT IMAS.

	Based on the Original FY2014 Financial Statements S$'000	**Effect of Restatement S$'000**	**Based on the Restated and Re-audited FY2014 Financial Statements S$'000**
Consolidated Statement of Comprehensive Income			
Other income	120,011	(6,209)	113,802
General and administrative expenses	(151,947)	(71)	(152,018)
Share of associate companies' result	(30,625)	(4,302)	(34,927)
Profit before taxation	22,972	(10,582)	12,390
(Loss)/profit after taxation	4,346	(10,582)	(6,236)
(Loss)/profit attributable to:			
Equity holders of the Company	7,517	(10,582)	(3,065)
Other comprehensive (expense)/income after taxation			
Items that are/may be reclassified subsequently to profit or loss			
Currency translation differences	17,222	8,617	25,839
Total comprehensive (expenses)/income attributable to:			
Equity holders of the Company	19,939	(1,965)	17,974

All the changes in the line items under "Consolidated Statement of Comprehensive Income" in the Restated and Re-audited FY2014 Financial Statements were due to the consolidation of the financial results of MSL with the financial results of the Group.

	Based on the Original FY2014 Financial Statements S$'000	**Effect of Restatement S$'000**	**Based on the Restated and Re-audited FY2014 Financial Statements S$'000**
Consolidated Statement of Cash Flows			
Net cash generated from operating activities	59,949	10,889	70,838
Net cash used in investing activities	(149,788)	31	(149,757)
Net cash generated from financing activities	79,231	(9,995)	69,236
Effects of currency translation on cash and cash equivalents	3,537	(925)	2,612

The changes in “Net cash generated from operating activities”, “Net cash used in investing activities”, “Net cash generated from financing activities” and the “Effect of currency translation on cash and cash equivalents” in the Restated and Re-audited FY2014 Financial Statements were due to the classification of currency translations which were previously classified under currency translation difference to the respective categories of cash from operating activities, investing activities and financing activities to better reflect the cash generated from or used in each activity. The consolidation of the financial results of MSL with the financial results of the Group also impacted the cash flow generated from each activity.

COMPARISON BETWEEN THE ORIGINAL FY2015 FINANCIAL STATEMENTS AND THE RESTATED AND RE-AUDITED FY2015 FINANCIAL STATEMENTS

Statement of financial position

	As at 31.12.2015		As at 31.12.2015
	Based on the Original FY2015 Financial Statements S$'000	Effect of Restatement S$'000	Based on the Restated and Re-audited FY2015 Financial Statements S$'000
Intangible assets	788,666	(20,579)	768,087
Associates	215,405	235,299	450,704
Other non-current assets	626,979	(407,464)	219,515
Other non-current liabilities	35,524	7,074	42,598
Reserves	(176,819)	29,572	(147,247)
Accumulated losses	(5,534)	(229,390)	(234,924)

The "Intangible assets" in the Restated and Re-audited FY2015 Financial Statements decreased by S$20.6 million owing to adjustment to goodwill, previously recorded as other income. This adjustment arises from the fair value adjustment of the non-convertible bonds in connection with the acquisition of PT IMAS.

The changes in the "Associates", "Other non-current assets", and "Other non-current liabilities" in the Restated and Re-audited FY2015 Financial Statements arose from the consolidation of the financial results of MSL with the financial results of the Group, as MSL was deemed to be a subsidiary of the Company since March 2010.

The "Reserves" in the Restated and Re-audited FY2015 Financial Statements increased by S$29.6 million due to the consolidation of MSL's accumulated other comprehensive profit and losses from March 2010 to FY 2015.

The "Accumulated losses" in the Restated and Re-audited FY2015 Financial Statements decreased by S$229.4 million, owing to the inclusion of MSL's losses from March 2010 to FY 2015 and the fair value adjustment of S$20.6 million to the Non-Convertible Bonds.

	Based on the Original FY2015 Financial Statements S$'000	Effect of Restatement S$'000	Based on the Restated and Re-audited FY2015 Financial Statements S$'000
Consolidated Statement of Comprehensive Income			
Other income	83,423	(24,445)	58,978
General and administrative expenses	(163,804)	(4,642)	(168,446)
Share of associate companies' result	(18,029)	(8,242)	(26,271)
(Loss)/profit before taxation	(98,986)	(37,329)	(136,315)
(Loss)/profit after taxation	(126,047)	(37,329)	(163,376)
Loss attributable to:			
Equity holders of the Company	(107,548)	(37,329)	(144,877)
Other comprehensive (expense)/income after taxation			
Items that are/may be reclassified subsequently to profit or loss			
Currency translation differences	(12,411)	13,161	750
Total comprehensive (expenses)/income attributable to:			
Equity holders of the Company	(124,367)	(24,168)	(148,535)

All the changes in the line items under "Consolidated Statement of Comprehensive Income" in the Restated and Re-audited FY2015 Financial Statements were due to the consolidation of the financial results of MSL with the financial results of the Group.

	Based on the Original FY2015 Financial Statements S$'000	Effect of Restatement S$'000	Based on the Restated and Re-audited FY2015 Financial Statements S$'000
Consolidated Statement of Cash Flows			
Net cash generated from operating activities	68,161	(3,108)	65,053
Net cash used in investing activities	(119,912)	2,309	(117,603)
Net cash generated from financing activities	94,538	799	95,337

The changes in "Net cash generated from operating activities", "Net cash used in investing activities", and "Net cash generated from financing activities" in the Restated and Re-audited FY2015 Financial Statements were due to the consolidation of the financial results of MSL with the financial results of the Group which impacted the cash flow generated from each activity.

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