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Jardine Cycle & Carriage Limited Annual Report 2015

2015
Annual Report

Jardine Cycle & Carriage

CONTENTS

Company No. 196900092R
A member of the Jardine Matheson Group

FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 31ST DECEMBER 2015 Announcement of results:	
– first quarter	29th April 2015
– half year	31st July 2015
– third quarter	4th November 2015
– full year	25th February 2016
Issue of Annual Report	6th April 2016
Annual General Meeting	28th April 2016
Book closure	17th May 2016
Final dividend payment	23rd June 2016

FINANCIAL YEAR ENDING 31ST DECEMBER 2016 Proposed dates for announcement of results:	
– first quarter	28th April 2016
– half year	29th July 2016
– third quarter	8th November 2016
– full year	28th February 2017

Honda Beat
Indonesia

Honda Vario
Indonesia

HIGHLIGHTS

- Underlying earnings per share 22% down
- Astra profit lower and contribution reduced further on translation into US dollars
- Good performances from Direct Motor Interests
- Contribution from new businesses under Other Interests

GROUP RESULTS

	2015 US$m	2014 US$m	Change %	2015† S$m
Revenue	**15,718**	18,675	(16)	**21,665**
Profit after tax	**1,280**	1,860	(31)	**1,764**
Underlying profit attributable to shareholders*	**638**	793	(20)	**879**
Profit attributable to shareholders	**688**	820	(16)	**950**
Shareholders' funds	**5,267**	4,623	14	**7,449**
	US¢	US¢	%	**S¢**
Underlying earnings per share*	**169**	217	(22)	**232**
Earnings per share	**182**	224	(19)	**251**
Dividend per share	**69**	85	(19)	**97**
	US$	US$	%	**S$**
Net asset value per share	**13.33**	12.63	6	**18.85**

† The exchange rate of US$1 = S$1.41 (31st December 2014: US$1 = S$1.32) was used for translating assets and liabilities at the balance sheet date and US$1 = S$1.38 (2014: US$1 = S$1.27) was used for translating the results for the year.

* The Group uses underlying profit in its internal financial reporting to distinguish between ongoing business performance and non-trading items. Items classified as non-trading items include fair value gains or losses on revaluation of plantations and investment properties; gains and losses arising from sales of businesses, investments and properties; impairment of non-depreciable intangible assets and other investments; provisions for closure of businesses; acquisition-related costs in business combinations and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into the Group's underlying business performance.

Car Financing Services
Indonesia

Automotive Components
Indonesia

Daihatsu Xenia
Indonesia

Toyota Avanza
Indonesia

CORPORATE PROFILE

Jardine Cycle & Carriage ("JC&C") is a leading Singapore-listed company and a member of the Jardine Matheson Group. It has an interest of just over 50% in Astra International ("Astra"), a premier listed Indonesian conglomerate, as well as Direct Motor Interests and Other Interests in Southeast Asia, combining high quality services with a deep market knowledge in the region. Together with its subsidiaries and associates, JC&C employs more than 250,000 people across Indonesia, Vietnam, Singapore, Thailand, Malaysia and Myanmar.

Astra is the largest independent automotive group in Southeast Asia, with further interests in financial services, heavy equipment and mining, agribusiness, infrastructure, logistics and others, and information technology. Through striving to achieve long-term sustainable growth in its market-leading businesses, as well as actively seeking to improve the welfare of the Indonesian people at large, Astra has become one of Indonesia's household names.

JC&C's Direct Motor Interests operate in Singapore, Malaysia and Myanmar under the Cycle & Carriage banner, and through Tunas Ridean in Indonesia and Truong Hai Auto Corporation in Vietnam. JC&C's Other Interests comprise interests in leading businesses in the region, through which JC&C gains exposure to key economies in the region and new business areas.

Jardine Matheson is a diversified business group focused principally on markets in Greater China and Southeast Asia. Through a balance of cash producing activities, investment in new businesses and long-term property assets, the Group aims to produce sustained growth in shareholder value. In addition to its 75% shareholding in the Company, the Jardine Matheson Group operating companies include wholly-owned Jardine Pacific and Jardine Motors, together with strategic shareholdings in listed entities Hongkong Land, Dairy Farm, Mandarin Oriental and Jardine Lloyd Thompson. These companies are leaders in the fields of engineering and construction, transport services, insurance broking, property investment and development, retailing, restaurants, luxury hotels, motor vehicles and related activities, financial services, heavy equipment, mining and agribusiness.

Mercedes-Benz C-Class
Singapore

KEY OPERATING BUSINESSES

ASTRA INTERNATIONAL

Indonesia
Astra (50.1%), which is listed on the Indonesia Stock Exchange, is a diversified business group with six core businesses comprising automotive, financial services, heavy equipment and mining, agribusiness, infrastructure, logistics and others, and information technology.

Automotive
Astra is the largest independent automotive group in Southeast Asia. Its automotive business comprises the production, distribution, retail and after-sales service of motor vehicles and motorcycles. It is the sole distributor of brands such as Toyota, Daihatsu, Isuzu, Peugeot, UD Trucks. It is the main dealer for BMW in the motor vehicle market, and represents Honda in the motorcycle market. Astra also manufactures and distributes automotive components through Astra Otoparts.

Financial Services
Astra's financial services business covers a wide spectrum of businesses including consumer financing, banking and insurance. Consumer financing includes motor vehicle and motorcycle financing, while heavy equipment financing supports the mining, construction, forestry and agricultural sectors.

Heavy Equipment and Mining
Astra, through United Tractors, provides construction machinery, mining contracting, coal mining and construction services. United Tractors is the sole distributor for the Komatsu brand in Indonesia.

Agribusiness
Astra's agribusiness includes the cultivation, harvesting and processing activities for the production of palm oil. It is a major producer of crude palm oil in Indonesia.

Infrastructure, Logistics and Others
Astra's infrastructure, logistics and other businesses include the operation of toll roads, transportation and logistics services and a water utility company, and property development.

Information Technology
Astra's information technology business provides document solutions, information technology solutions and office services, and is the sole distributor of Fuji Xerox office equipment in Indonesia.

Daihatsu Car Assembly Plant
Indonesia

Heavy Equipment and Mining
Indonesia

Toll Road Services
Indonesia

General Insurance
Indonesia

Palm Oil Refinery
Indonesia

Document Solutions
Indonesia

DIRECT MOTOR INTERESTS

Vietnam
Truong Hai Auto Corporation (27.1%) is one of the largest automotive companies in Vietnam. Its activities include production, distribution, retail and after-sales service of commercial and passenger vehicles, representing brands such as Kia, Mazda, Peugeot, Foton and Hyundai.

Singapore
Cycle & Carriage (100%) is one of the leading automotive groups in Singapore. It is engaged in the retail, distribution and after-sales service of Mercedes-Benz, Mitsubishi, Kia and Citroën motor vehicles.

Malaysia
Cycle & Carriage Bintang (59.1%) is listed on Bursa Malaysia. It is the largest dealer of Mercedes-Benz motor vehicles in Malaysia, involved in retail and after-sales service.

Indonesia
Tunas Ridean (43.8%) is listed on the Indonesia Stock Exchange and is one of the largest automotive dealer groups in Indonesia, representing Toyota, Daihatsu, BMW, Peugeot and Isuzu motor vehicles, as well as Honda motorcycles. Tunas Ridean also provides automotive rental and fleet management services. In addition, it is a major provider of vehicle financing through its associate, Mandiri Tunas Finance.

Myanmar
Cycle & Carriage Automobile Myanmar (60%) provides motor vehicle maintenance and repair services in Myanmar. JC&C has the distribution rights to Mercedes-Benz passenger cars and commercial vehicles, Fuso commercial vehicles, EvoBus and Mazda passenger cars for Myanmar.

Kia Sorento
Singapore

Mazda Service Centre
Myanmar

Mercedes-Benz Autohaus
Malaysia

Kia Passenger Car Assembly Plant
Vietnam

Tunas Toyota Showroom
Indonesia

Refrigeration Electrical Engineering
Vietnam

Siam City Cement
Thailand

OTHER INTERESTS

Thailand
Siam City Cement Public Company Limited (24.9%) is listed on the Stock Exchange of Thailand and is the second largest cement manufacturer in Thailand. It also produces concrete and other building materials.

Vietnam
Refrigeration Electrical Engineering Corporation (22.9%) is a diversified business group operating in the fields of mechanical and electrical engineering, real estate and strategic investment in power and water utility infrastructure.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Benjamin Keswick	Chairman
Boon Yoon Chiang	Deputy Chairman
Alexander Newbigging*	Group Managing Director
Chiew Sin Cheok*	Group Finance Director
Tan Sri Azlan Zainol+	
Chang See Hiang+	
Mark Greenberg	
Hassan Abas#	
Michael Kok	
Mrs Lim Hwee Hua+	
Dr Marty Natalegawa+	
Anthony Nightingale+	
James Watkins+	

NOMINATING COMMITTEE

Chang See Hiang+	Chairman
Hassan Abas#	
Benjamin Keswick	

REMUNERATION COMMITTEE

James Watkins+	Chairman
Chang See Hiang+	
Hassan Abas#	
Benjamin Keswick	

AUDIT COMMITTEE

Hassan Abas#	Chairman
Boon Yoon Chiang	
Chang See Hiang+	
Mark Greenberg	
Mrs Lim Hwee Hua+	
James Watkins+	

GROUP COMPANY SECRETARY

Ho Yeng Tat

AUDITORS

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Appointment: 2012

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WEBSITE

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* Executive Director
+ Independent Director
# Lead Independent Director

Corporate information as at 21st March 2016

Mining Contracting
Indonesia

Motorcycle Financing Services
Indonesia

CHAIRMAN'S STATEMENT

OVERVIEW

The Group recorded a decline in earnings as Astra saw reduced profit contributions from all its major business segments in the face of challenging trading conditions. Astra's contribution was further impacted on translation of its rupiah profit into US dollars. This was partly compensated for by the strong results from the Group's Direct Motor Interests and contributions from new businesses within the Group's Other Interests.

PERFORMANCE

The Group's revenue for the year declined by 16% to US$15.7 billion. Underlying profit attributable to shareholders was down 20% at US$638 million, while underlying earnings per share declined by 22% to US¢169.

Profit attributable to shareholders was US$688 million after accounting for a net non-trading gain of US$50 million, which included the reversal of an impairment charge of US$43 million in respect of a Vietnam associate. This compares to a profit attributable to shareholders in 2014 of US$820 million after a net non-trading gain of US$27 million.

Astra's contribution of US$477 million to the Group's underlying profit was 34% down, as a 25% decrease in its rupiah result was translated into a 33% decline in US dollars as the exchange rate was on average 12% weaker than in 2014. The reduced contribution from Astra was partly mitigated by an improved result from Direct Motor Interests which was up 71% to US$141 million, reflecting a number of good performances, particularly Truong Hai Auto Corporation in Vietnam. There was also a US$30 million contribution from Other Interests.

The Board is recommending a final one-tier tax-exempt dividend of US¢51 per share (2014: US¢67 per share) which together with the interim dividend will produce a total dividend of US¢69 per share (2014: US¢85 per share).

Mazda CX-5
Vietnam

CHAIRMAN'S STATEMENT

BUSINESS ACTIVITIES

Jardine Cycle & Carriage's strategy is to pursue the development of its business interests in Southeast Asia. It is supporting the growth of Astra, both in its existing operations and in the creation of market-leading businesses that can benefit from Astra's reach and expertise. It is seeking to grow its Direct Motor Interests, currently operating in Singapore, Malaysia, Indonesia, Vietnam and Myanmar, further in the region. It is also developing its Other Interests by investing in market-leading companies that can provide exposure for the Group to new business areas in key regional economies.

In April 2015, the Company expanded its strategic investment portfolio with the US$615 million acquisition of a 24.9% stake in listed Siam City Cement Public Company Limited ("Siam City Cement"), the second largest cement manufacturer in Thailand. It also increased its shareholding in Vietnam-listed Refrigeration Electrical Engineering Corporation ("REE") from 19% to 22% for US$12 million, thereby making it an associated company. REE is active in mechanical and electrical engineering, and real estate, and has strategic investments in power and water utility infrastructure. In February this year, the Company's shareholding in REE was increased to 23% for US$4 million.

RIGHTS ISSUE

In July, the Company completed a one for nine rights issue, which was fully subscribed, raising gross proceeds of approximately US$752 million. The proceeds of the rights issue were used primarily to repay borrowings taken to finance the investment in Siam City Cement as well as for corporate purposes.

PEOPLE

The satisfactory performance of the Group in 2015 is due to the commitment and hard work of our more than 250,000 employees across Indonesia, Vietnam, Singapore, Thailand, Malaysia and Myanmar. On behalf of the Board, I would like to take this opportunity to thank them all for their excellent contribution.

On 26th November 2015, it was announced that SC Chiew is to step down as Group Finance Director on 31st March 2016 to move to Astra. He will be replaced on 1st April 2016 by Adrian Teng, who is currently Group Treasurer for Jardine Matheson.

OUTLOOK

The Group remains cautious about the outlook for 2016 given the uncertain external macro-economic environment in the region, although Astra's strong cash generation and sound balance sheet are enabling it to invest for the future and to benefit from any improvement in trading conditions. The Group's Direct Motor Interests will face continuing pressure on margins, while earnings from Other Interests will include a full-year's contribution from its investment in Siam City Cement.

Ben Keswick
Chairman
25th February 2016

Mercedes-Benz Citaro
Singapore

Toll Road Services
Indonesia

General Contracting Services
Indonesia

GROUP MANAGING DIRECTOR'S REVIEW

OVERVIEW
The Group's profit declined in 2015 due to challenging trading conditions in Indonesia, exacerbated by the weaker rupiah. Astra faced weaker commodity prices and reduced domestic consumption, as well as increased competition in the car sector and a deterioration in corporate credit quality, which together with a higher impairment charge recorded in relation to its coal mining properties, resulted in reduced profit contributions from all its major segments. This was partly compensated for by improved results in the Group's Direct Motor Interests and a contribution from its Other Interests.

PERFORMANCE
The Group reported an underlying profit of US$638 million for 2015, 20% down on the previous year. Profit attributable to shareholders was 16% lower at US$688 million, after accounting for a net non-trading gain of US$50 million, arising mainly from the reversal of an impairment charge of US$43 million in respect of the Group's investment in Truong Hai Auto Corporation and revaluation gain of US$17 million on investment properties which offset a fair value loss of US$8 million on plantations. This compares to a profit attributable to shareholders in 2014 of US$820 million, which was after a net non-trading gain of US$27 million, comprising mainly negative goodwill on the acquisition of a 50% interest in Astra Aviva Life and a revaluation gain on investment properties, partly offset by a fair value loss on plantations.

The Group moved from a consolidated net debt position at the end of 2014 of US$239 million (excluding borrowings within Astra's financial services subsidiaries) to having net cash of US$255 million at the end of 2015. The movement was due mainly to the surplus proceeds from the Company's rights issue after debt repayment, together with improved operating cash flows from the Astra parent company and United Tractors. Net debt within Astra's financial services subsidiaries was US$3.3 billion, compared to US$3.7 billion at the end of 2014 as the translation impact of the weaker rupiah largely offset the new volume financed. JC&C parent company had net cash of US$136 million at the end of 2015, compared to net debt of US$47 million at the end of 2014.

GROUP REVIEW

ASTRA
Astra reported a net profit equivalent to US$1,075 million under Indonesian accounting standards, 25% down in its reporting currency with lower contributions from all major segments due to the challenging trading conditions.

Automotive
Overall automotive demand in Indonesia weakened during the year due to a general slow-down in the economy. In addition, discounting in the car market caused by manufacturing overcapacity continued to have a negative impact on earnings. The group's component businesses also made a reduced contribution due to lower volumes and a weakening of the rupiah exchange rate.

The wholesale market for cars fell by 16% to just over 1 million units. Astra's car sales were 17% lower at 510,000 units, with its market share decreasing from 51% to 50%. The group launched 17 new models and 13 revamped models during the year.

The wholesale market for motorcycles decreased by 18% to 6.5 million units. Astra Honda Motor's sales were reduced by 12% to 4.5 million units, resulting in its market share increasing from 64% to 69%. Astra Honda Motor launched nine new models and eight revamped models during the year.

The group's component business, Astra Otoparts, saw net income fall by 63% to US$24 million. This was due to a lower contribution from its manufacturing activities brought about by a decline in the OEM market and a weaker rupiah, despite seeing a slight improvement in export and after-market revenue.

Financial Services
Net income from the group's financial services businesses decreased 25% to US$264 million. Excluding the one-time gain from the acquisition of a 50% stake in Astra Aviva Life in May 2014, net income from the group's financial services businesses declined by 18%. Increased earnings at Federal International Finance and Toyota Astra Financial Services were offset by a decline in the contributions from its other financial services interests.

The consumer finance businesses saw the amount financed decreased by 6% to US$4.5 billion, including balances financed through joint bank financing without recourse.

The car-focused Astra Sedaya Finance reported net income 17% lower at US$72 million, while motorcycle-focused Federal International Finance's net income was up 15% at US$112 million, benefiting from improved market share and product diversification. The amount financed through the group's heavy equipment-focused finance operations increased by 7% to US$290 million.

Astra's 45%-held joint venture, Permata Bank, reported net income 84% lower at US$18 million, despite recording 14% higher net interest income, as loan loss provisions increased following a rise in non-performing loans to 2.7% from 1.7% in 2014.

The group's general insurance company, Asuransi Astra Buana, recorded net income down 10% at US$68 million primarily due to lower investment earnings.

Honda Motorcycle Assembly Plant
Indonesia

The group's new life insurance joint venture with Aviva plc, which markets its products and services as "Astra Life powered by Aviva", acquired 28,500 individual life customers and more than 180,000 participants of its corporate employee benefits programmes.

Heavy Equipment and Mining
United Tractors, which is 60%-owned, reported a 28% decline in net income to US$286 million, following a 7% decline in revenue and a further impairment charge made on the carrying value of its coal mining properties, despite the benefit of a weaker rupiah on its US dollar denominated income and US dollar denominated monetary assets.

In its construction machinery business, Komatsu heavy equipment sales fell by 40% to 2,124 units, although this was partly offset by higher parts revenue, leading to an overall 9% decline in revenue. The contract mining operations of subsidiary, Pamapersada Nusantara, reported a 9% decrease in revenue as contract coal production declined 4% to 109 million tonnes and contract overburden removal declined 5% to 767 million bank cubic metres.

United Tractors' mining subsidiaries reported coal sales 18% lower at 4.6 million tonnes, with revenue decreasing by 18%. United Tractors and its subsidiaries own interests in nine coal mines with combined reserves estimated at 395 million tonnes.

United Tractors completed a further review of the carrying value of its coal mining properties in response to continuing weak market conditions and uncertainty over the extent and timing of any recovery in coal prices. As a consequence, it has decided to recognise an impairment of the carrying value of its coal mining properties at year end. The net impact of the impairment on its attributable profit after minorities and taxes was US$192 million, compared to US$130 million in 2014.

Recently acquired general contractor, Acset Indonusa which is 50%-held, reported net income of US$3 million, increasing its new contracts during the year to US$228 million from US$52 million in 2014.

Agribusiness
Astra Agro Lestari, which is 80%-held, reported net income of US$46 million, down 75%. Average crude palm oil prices achieved were 16% lower at Rp6,971/kg compared with last year, and crude palm oil sales were 24% lower at 1 million tonnes, while olein sales increased by 62% to 412,000 tonnes. The benefit of a weaker rupiah on its US dollar denominated and linked income was more than offset by the impact on its US dollar monetary liabilities.

Infrastructure, Logistics and Others
Net income from infrastructure, logistics and others fell by 17% to US$30 million, mainly due to initial losses arising on the commencement of operations of section 1 of the Kertosono-Mojokerto toll road and lower car leasing and rental volumes.

The 72.5 km Tangerang-Merak toll road, operated by 79%-owned Marga Mandalasakti, reported a 7% increase in traffic volumes to 46 million vehicles. Construction continues at the wholly-owned greenfield 40.5 km Kertosono-Mojokerto toll road near Surabaya. Section 1, which is 14.7 km long, began operations in October 2014 and further stages are expected to be operational during 2016 and 2017, subject to the timely completion of land acquisitions. In July 2015, Astratel acquired a 25% interest in the 73 km Semarang-Solo toll road, of which sections 1 and 2, being 23 km, are operational. Taken together with Astratel's 40% interest in the greenfield 11.2 km Kunciran-Serpong toll road on Jakarta's outer ring road, the group has an interest in 197.2 km of toll roads.

PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, experienced flat sales volume of 160 million cubic metres.

Serasi Autoraya's revenue declined by 5% and net income decreased by 68% to US$4 million, with a 15% decline in the number of vehicles under contract at its car leasing and rental business to 25,000 units.

Anandamaya Residences, the group's 60%-held luxury residential development project located in Jakarta's Central Business District, continues to achieve market-leading pricing and strong buyer interest with more than 90% of the 509 units sold. Completion of Anandamaya Residences and the group's adjacent grade A office tower, Menara Astra, is expected in 2018, as planned.

Information Technology
Astra Graphia, which is 77%-owned, and active in the area of document information and communication technology solutions and is the sole distributor of Fuji Xerox office equipment in Indonesia, reported a 2% improvement in net income to US$20 million. Excluding the one-time gain from the sale of a 51% stake in AGIT Monitise in June 2014, net income increased by 20% on higher revenue.

DIRECT MOTOR INTERESTS
The Group's Direct Motor Interests contributed a profit of US$141 million, 71% up on the previous year due to good performances in Singapore, Malaysia and in particular, Vietnam.

Vietnam
In Vietnam, 27%-owned Truong Hai Auto Corporation ("Thaco") had an excellent year, with its contribution of US$85 million more than twice that of 2014, due to strong vehicle sales and good margins. The vehicle market grew by 58% to 282,000 units, while Thaco's overall sales rose by 89% to 79,500 units, producing an increase in market share from 24% to 28%. Thaco's passenger car sales doubled to 41,300 units and its commercial vehicle sales increased by 78% to 38,100 units.

Singapore
The Singapore passenger car market almost doubled to 57,600 units following an increase in the number of certificates of entitlement, although the improvement largely favoured the non-premium segment. Earnings from the Group's wholly-owned Singapore motor operations rose 17% to US$39 million as sales increased by 62% to 8,600 units, while its market share declined from 18% to 15%. The used car operations also did well with a 53% increase in sales to 7,000 units.

Malaysia
In Malaysia, 59%-owned Cycle & Carriage Bintang's contribution of US$8 million was significantly higher, reflecting a good trading environment and the recognition of dividend income received from Mercedes-Benz Malaysia. Mercedes-Benz unit sales were 55% up with good margins, particularly from hybrid models.

Indonesia
In Indonesia, 44%-owned Tunas Ridean's contribution was 6% up at US$9 million as the impact of the decline in unit sales and margin pressure in the automotive business was more than offset by improved earnings of the 49%-owned Mandiri Tunas Finance. Motor car sales were 19% lower at 43,400 units, while motorcycle sales were 1% lower at 206,300 units.

OTHER INTERESTS
The Group's Other Interests comprise two new associates, 25%-held listed Siam City Cement in Thailand and 23%-held REE in Vietnam. Both companies represent a meaningful exposure to markets that offer good growth prospects over the medium term. In 2015, they made a profit contribution of US$30 million.

Alex Newbigging
Group Managing Director
25th February 2016

The underlying profit attributable to shareholders by business is shown below:

	2015 US$m	2014 US$m
Astra International		
Automotive	**247.2**	332.6
Financial services	**132.3**	181.6
Heavy equipment and mining	**87.2**	137.8
Agribusiness	**18.4**	84.1
Infrastructure, logistics and others	**9.1**	18.1
Information technology	**7.6**	7.2
	501.8	761.4
Less: Withholding tax on dividend	**(25.3)**	(37.4)
	476.5	724.0
Direct Motor Interests		
Vietnam	**84.9**	38.6
Singapore	**39.2**	33.6
Malaysia	**7.8**	1.9
Indonesia (Tunas Ridean)	**9.4**	8.9
Myanmar	**(0.2)**	(0.7)
	141.1	82.3
Other Interests		
Siam City Cement	**21.3**	-
Refrigeration Electrical Engineering	**8.7**	-
	30.0	-
Corporate costs	**(10.1)**	(13.5)
Underlying profit attributable to shareholders	**637.5**	792.8

THACO Hyundai Truck
Vietnam

FINANCIAL REVIEW

Accounting Policies

The Directors continue to review the appropriateness of the accounting policies adopted by the Group having regard to developments in the International Financial Reporting Standards. There were no significant changes to the accounting policies in 2015.

Results

In 2015, the Group's revenue declined by 16% to US$15.7 billion. Astra's revenue fell by 19% to US$13.7 billion, with declines in almost all business segments in rupiah terms further reduced on translation to US dollars. Revenue from the Group's Direct Motor Interests grew by 20% to US$2.0 billion reflecting improved vehicle sales in the Singapore motor operations and Cycle & Carriage Bintang in Malaysia. The Group's revenue, including 100% of revenue from its associates and joint ventures, which should be a better measure of the extent of the Group's operations, was 7% lower at US$30.2 billion.

Operating profit was 34% lower at US$1,165 million. Excluding non-trading items, which amounted to a net gain of US$5 million (2014: US$4 million), the Group's underlying operating profit was 35% lower at US$1,160 million. Astra's underlying operating profit was 37% down at US$1,097 million, with all its major business segments recording lower results due to weaker commodity prices, reduced domestic consumption, increased competition in the car sector and a deterioration in corporate credit quality. Astra's result also included a net impairment charge of US$349 million taken against the carrying value of its coal mining properties, and related assets and liabilities. The Group's Direct Motor Interests saw an increase in underlying operating profit, as vehicle sales in Singapore grew following the increase in the number of certificates of entitlement released by the Government, while the Malaysian operations benefited from good demand for hybrid models at improved margins and dividend income from Mercedes-Benz Malaysia.

The non-trading items in 2015 referred to above comprised mainly revaluation gains on investment properties of US$34 million, which more than offset a fair value loss on oil palm plantations of US$28 million.

Net financing charges, excluding those relating to the Group's consumer finance and leasing activities, increased by US$6 million to US$21 million mainly due to lower financing income. Interest cover excluding the financial services companies remained strong at 29 times (2014: 44 times).

The Group's share of associates' and joint ventures' results after tax at US$471 million, which included a non-trading gain of US$45 million, was 18% lower than the previous year. The non-trading gain comprised mainly the reversal of an impairment charge in respect of the Group's investment in its Vietnam associate, Truong Hai Auto Corporation ("Thaco"), while the 2014 result included the negative goodwill arising on the acquisition of a 50% interest in Astra Aviva Life. Excluding non-trading items in both years, the Group's share of associates' and joint ventures' results after tax was US$426 million, 21% down on the previous year due mainly to lower share of results in Astra's automotive and financial services associates and joint ventures. This was partly offset by significant profit growth from Thaco, which enjoyed strong sales at good margins and the benefit of the contribution from two new associates, Siam City Cement Public Company Limited ("Siam City Cement") and Refrigeration Electrical Engineering Corporation ("REE").

The effective tax rate of the Group, excluding associates and joint ventures in 2015 was 29% compared with 27% in the previous year. Excluding non-trading items, the Group's effective tax rate was 28%, similar to 2014.

The profit attributable to shareholders for the year at US$688 million was 16% down compared with the previous year. Excluding non-trading items, the underlying profit attributable to shareholders would have been 20% lower at US$638 million, with Astra's contribution 34% down at US$477 million, partly mitigated by Direct Motor Interests which was 71% up at US$141 million and the US$30 million contribution from the Group's Other Interests, while central overheads were lower at US$10 million, due mainly to exchange gains arising from loan repayment.

Dividends

The Board is recommending a final one-tier tax-exempt dividend of US¢51 per share (2014: US¢67 per share), which together with the interim dividend will give a total dividend of US¢69 per share (2014: US¢85 per share) for the year. Shareholders will have the option to receive the dividend in Singapore dollar and in the absence of any election, the dividend will be paid in US dollar.

Cash Flow

Cash inflow from the Group's operating activities was US$1,877 million, US$637 million higher than the previous year, due to improved working capital flows mainly in respect of Astra's automotive and heavy equipment operations.

The cash outflow from investing activities was US$1,161 million, US$326 million higher than the previous year. Cash outflow from investing activities comprised mainly Astra's capital expenditure in respect of its automotive, mining, agribusiness and toll road operations, the purchase of subsidiaries which included Astra's purchase of a 50.1% interest in PT Acset Indonusa Tbk, a general contractor in Indonesia, and the purchase of new associates and joint ventures which included the Company's purchase of a 24.9% interest in Siam City Cement and Astra's purchase of a 25% interest in toll road operator, PT Trans Marga Jateng.

The cash outflow from financing activities was US$188 million, US$87 million lower than the previous year. This was due mainly to surplus proceeds after debt repayment from the Company's rights issue which raised US$748 million, a reduction in dividends paid to non-controlling interests and a lower 2014 final dividend of US¢67.00 (2013: US¢90.00) paid by the Company.

At the year-end, the Group had undrawn committed facilities of some US$1.9 billion. In addition, the Group had available liquid funds of US$2.2 billion. The Group moved from a consolidated net debt position in 2014 of US$239 million, excluding borrowings within Astra's financial services subsidiaries, to having net cash of US$255 million. Net debt within the Astra's financial services operations was US$3.3 billion, lower than the level at the end of 2014, as the translation impact of the weaker rupiah largely offset the new volume financed. The Company ended the year with net cash of US$136 million.

Overall, the Group's funding arrangements are designed to keep an appropriate balance between equity and debt, both short and long-term, to give flexibility to develop the business.

Balance Sheet

The Group continues to have a strong balance sheet. Shareholders' funds increased by 14% to US$5.3 billion. Property, plant and equipment declined by US$670 million to US$2.9 billion, largely due to the impairment charge taken against the carrying value of its coal mining properties. Interests in associates and joint ventures grew by US$637 million to US$3.3 billion, reflecting the purchase of new associates, Siam City Cement, REE and PT Trans Marga Jateng, alongside the Group's share of profit. Financing debtors decreased by US$523 million to US$4.4 billion due to translation losses and decrease in volumes financed. Stocks at US$1.5 billion were unchanged, as higher inventories in Astra's businesses, Singapore Motor Operations and Cycle & Carriage Bintang were offset by the translation impact of the weaker rupiah.

Treasury Policy

The Group manages its exposure to financial risk using a variety of techniques and instruments. The main objectives are to limit exchange and interest rate risks and to provide a degree of certainty about costs. The investment of the Group's surplus cash resources is managed so as to minimise risk while seeking to enhance yield.

Risk Management Review

A review of the major risks facing the Group is set out on page 32.

SC Chiew
Group Finance Director
25th February 2016

Banking
Indonesia

Toyota Motor Vehicle Financing Services
Indonesia

Life Insurance
Indonesia

The MINDSET Challenge 2015 raised funds for the operation of Creative Mindset by the Singapore Association for Mental Health.
Singapore

At JC&C, we aim to fulfil our role as a responsible corporate citizen and to advocate volunteerism among our employees. Our Corporate Social Responsibility ("CSR") initiatives are designed to create a positive impact and value in the communities in which we operate by leveraging our expertise, resources, people and partnerships. At JC&C we support primarily mental health initiatives in Singapore, while our subsidiaries and associated companies are active in community-related initiatives across the region in the areas of education, healthcare and environmental conservation.

In this section, we report on the Jardine Matheson Group's signature CSR programme in Singapore, MINDSET Care Limited ("MINDSET"), in which JC&C actively participates. We also highlight the CSR activities of our principal subsidiary, Astra, as well as CSR activities of the Group's other subsidiaries and associates across the region.

Supporting Mental Health Services

MINDSET is the CSR initiative of the Jardine Matheson Group, in which JC&C is an active member. JC&C's Group Managing Director, Alexander Newbigging, serves as the Chairman of the Board and Steering Committee of MINDSET. Established in 2011 to promote mental health and combat the social stigma associated with mental illness, MINDSET became a registered charity in 2012. Since its inception, MINDSET has made positive contributions to mental health services in Singapore.

The Jardine Matheson Group is of the view that employees who are actively involved in CSR are more engaged members of the workforce. Hence MINDSET's activities are championed and organised by Jardine Ambassadors, a group of energetic and enterprising executives selected from across the Jardine Matheson Group companies in Singapore including JC&C. JC&C encourages all employees to participate in MINDSET's year-round events and programmes.

Helping people with mental illness ("PMI") reintegrate into society through job placement is one of the key objectives of MINDSET. In 2015, MINDSET created 22 job placements within the Jardine Matheson Group companies for clients from various mental health agencies.

To create greater awareness, MINDSET regularly organises both internal and external activities. Educational lunch talks for employees were held, while "Mini-MINDSET Days" were planned to give staff the opportunity to interact with PMI during outings. To further communicate the message externally, public roadshows were conducted. Social enterprise projects called "Shelf Projects" where retail space is made available to PMI to display their handicrafts for sale at 7-Eleven outlets, further gave awareness to the cause.

In addition to the funds pledged annually by the Jardine Matheson Group companies, MINDSET also raises funds for like-minded charities in Singapore. Each year, The MINDSET Challenge, which is a race up the 33-storey Marina Bay Financial Centre Tower 1 is organised. The MINDSET Challenge 2015 saw about 250 participants and raised US$235,000. The funds raised were donated to Singapore Association for Mental Health's Creative Mindset programme, which uses creative art as an expressive form of therapy to aid in recovery and promote integration. MINDSET supported other programmes, such as Raintree Sanctuary @ Punggol South, a counselling centre by Silver Ribbon (Singapore); Employment Training Programme, a structured and holistic training programme by Singapore Anglican Community Services for PMI before they are placed out for employment; as well as HEALing Connection Psychiatric Rehabilitation Service, a three-pronged approach rehabilitation programme for PMI by Club HEAL.

Astra's CSR Initiatives in Indonesia

Astra lends support to education programmes in economically disadvantaged communities in Indonesia, including providing basic education, scholarships, training of teachers, and improving school facilities. In 2015, Astra awarded over 36,000 scholarships from elementary school to university levels.

Astra, together with the Indonesian Red Cross, donated over 4,000 pairs of glasses to children from underdeveloped areas. The Minister of Health Nila Moeloek (second from left) graced the event.
Indonesia

Through Income Generating Activity ("IGA") programmes, Astra supports small and medium-sized enterprises ("SMEs") through capacity-building for entrepreneurs, assistance in production, and providing market access for products. In 2015, 270 SMEs received assistance, which contributed towards greater economic development in local communities.

Astra is also focused on providing health check-ups and medication to the underprivileged, including offering healthcare services to mothers and their children. In 2015, free healthcare services were provided to over 20,000 patients. In addition, Astra donated about 4,000 pairs of spectacles to less fortunate children.

Astra continued its ecological protection and preservation efforts in 2015, and planted about 200,000 trees throughout Indonesia. Astra also initiated the "Astra's Green Village" programme to develop villages that characterise Astra's four main CSR thrusts, Education, Environment, Entrepreneurship and Health. Since 2014, Astra has developed 16 villages across Indonesia.

In support of United Nations' Sustainable Development Goals initiative, Astra organised a seven-day country-wide campaign to create awareness about the goals which reached more than 150 million people in Indonesia.

Community Efforts across Southeast Asia

Singapore

Since 2000, JC&C has been awarding scholarships to students to pursue a degree in Business Management at the Singapore Management University ("SMU"). Every year, three undergraduates from modest socio-economic backgrounds with strong academic and leadership skills are awarded the scholarships. In addition, JC&C offers opportunities for its scholars to undertake internships with the Company. To date, 13 students have benefited from the scholarship and graduated from SMU.

In 2015, JC&C supported other programmes such as "Remembering Acts of Love", a fundraising effort by Community Chest, as well as Yellow Ribbon's outreach projects for ex-offenders to reintegrate with society. JC&C also contributed to the "City in a Garden" programmes organised by the National Parks.

Malaysia

Each year, to recognise the academic excellence of its employees' schooling children, Cycle & Carriage Bintang ("CCB") provides Academic Excellence Awards. In 2015, ten awards were given out. CCB also contributed to The Star-MRCS-Firefly Relief Fund to provide temporary shelter, rebuild homes, furnish household items, and offer employment opportunities to flood victims. CCB also funded the National Cancer Society of Malaysia through various NGOs that focused on breast cancer treatment and research as well as providing support to breast cancer survivors and their families.

Indonesia

Under the TunasCare umbrella, Tunas Ridean has been providing medical and educational aid to its junior employees as well as the underprivileged members of its local communities. In 2015, TunasCare subsidised medical treatment and provided cash for disaster relief. It also provided educational-related cash rewards to its employees' children. During the year, TunasCare also organised blood donations, gave free meals and other donations to orphans and disaster victims.

Vietnam

Truong Hai Auto Corporation ("Thaco") provided scholarship grants to outstanding elementary, high school and university students of Dong Nai, Quang Nam and Ho Chi Minh City. Thaco also organised an annual blood donation drive where about 1,000 units of blood were collected for the National Institute of Haematology and Blood Transfusion. Additionally, Thaco supported the Red Cross Society's "Joining Hands for the Community" initiative that helped raise approximately US$1.6 million for orphans, the physically handicapped and the underprivileged.

Thailand

Siam City Cement Public Company ("SCCC") has successfully carried out its "Integrated Green School" project for six consecutive years. As at February 2016, SCCC has built a total of 29 schools. Each Integrated Green School is developed with green elements incorporated in the landscaping. In 2015, the project provided school facilities to over 500 underprivileged Karen families along the border.

Myanmar

Cycle & Carriage Automobile Myanmar ("CCAM") made cash donations to 1,000 villagers affected by the flood in Yangon. CCAM also deployed staff to deliver food, medicine and clothes to affected villagers in Nyaung Tone.

BOARD OF DIRECTORS

BENJAMIN KESWICK
Non-Executive Director
Mr Keswick was appointed Chairman on 1st April 2012. He was the Group Managing Director from 1st April 2007 to 31st March 2012. He was last re-elected as a director on 29th April 2015. Mr Keswick is Chairman and Managing Director of Dairy Farm, Hongkong Land and Mandarin Oriental. He is also Managing Director of Jardine Matheson Holdings and Jardine Strategic. He has been with the Jardine Matheson Group since 1998, undertaking a variety of roles before being appointed as Finance Director and then Chief Executive Officer of Jardine Pacific between 2003 and 2007. He is Chairman of Jardine Matheson Limited and a director of Jardine Pacific and Jardine Motors. He is also a commissioner of Astra. Mr Keswick graduated from Newcastle University with a Bachelor of Science degree in Agricultural Economics and Food Marketing and obtained a Master of Business Administration degree from INSEAD.

Past directorships in other listed companies over the preceding three years:
- United Tractors

BOON YOON CHIANG, PBM
Non-Executive Director
Mr Boon was appointed Deputy Chairman of the Group in May 1996. He has been on the Board since 19th May 1993 and was last re-elected as a director on 29th April 2015. He is Country Chairman of Jardine Matheson Group in Singapore and a director of Food Empire Holdings. He serves on the Board of the Singapore International Chamber of Commerce and is a council member of the ASEAN Chambers of Commerce and Industry. He is a member of the Competition Appeal Board and sits on the South East Asia Council of INSEAD, a leading international graduate business school, and also on the Board of Governors of Asian Institute of Management based in Manila. He is a diploma holder from the Singapore Institute of Management majoring in Personnel Management. He completed the Senior Executive Programme at London Business School.

Past directorships in other listed companies over the preceding three years:
- Nil

ALEXANDER NEWBIGGING
Executive Director
Mr Newbigging was appointed Group Managing Director on 1st April 2012 and was last re-elected as a director on 29th April 2015. He has been employed by Jardine Matheson since 1995 in a variety of roles, spanning the fields of business process outsourcing, aviation services, retailing and engineering, and over this period was based in the Philippines, Australia, Malaysia, Hong Kong and now Singapore. Prior to his current appointment, he was Chief Executive of Jardine Engineering Corporation and before that, General Manager of IKEA Hong Kong. Mr Newbigging is a commissioner of Astra, Vice President Commissioner of United Tractors, Chairman of Cycle & Carriage Bintang, a director of Siam City Cement and Vice Chairman of Refrigeration Electrical Engineering. He graduated from the University of Edinburgh with a Master of Arts (Honours) degree in mental philosophy and has completed the General Management Programme at Harvard Business School.

Past directorships in other listed companies over the preceding three years:
- Nil

CHIEW SIN CHEOK
Non-Executive Director
Mr Chiew was Group Finance Director from 1st November 2006 to 31st March 2016. He was last re-elected as a director on 29th April 2015. He has worked for Jardine Matheson since 1993 where he has held various senior finance positions, prior to which he worked for Schroders and Pricewaterhouse, both in London. Mr Chiew is a commissioner of Astra and Astra Otoparts, Vice President Commissioner of Astra Agro Lestari, a member of the advisory committee of Tunas Ridean and an alternate director of Cycle & Carriage Bintang. Mr Chiew graduated from the London School of Economics and Political Science with a Bachelor of Science (Economics) degree and obtained a Master of Management Science degree from the Imperial College of Science and Technology, London. He is a fellow of the Institute of Chartered Accountants in England & Wales and the Institute of Singapore Chartered Accountants. He has completed the Advanced Management Programme at Harvard Business School. Mr Chiew is on the Board of Governors of the Keswick Foundation, a charitable body in Hong Kong.

Past directorships in other listed companies over the preceding three years:
- Nil

ADRIAN TENG
Executive Director
Mr Teng was appointed Group Finance Director on 1st April 2016. He joined Jardine Matheson in 2010 in Hong Kong as Group Treasurer. He was previously from Alvarez & Marsal, where he had been a senior director in the Financial Industry Advisory Services division in London. Prior to that, he worked with ABN Amro and Citigroup in London, Shanghai, Tokyo and New York. Mr Teng holds a Master of Science in Public Policy and Management from SOAS, University of London, UK, a Master of Business Administration (Major in Corporate Strategy) from University of Illinois at Urbana-Champaign, USA, and a Bachelor of Science, summa cum laude (Major in Finance) from Creighton University, USA. He is a member of the Association of Corporate Treasurers, UK and Association for Financial Professionals, USA.

Past directorships in other listed companies over the preceding three years:
- Nil

TAN SRI AZLAN ZAINOL
Non-Executive and Independent Director
Tan Sri Azlan Zainol joined the Board on 30th April 2004 and was last re-elected as a director on 30th April 2014. He is Chairman of Malaysian Resources Corp and RHB Bank. He is also a director of RHB Capital and Kuala Lumpur Kepong. He was Chief Executive Officer of the Employees Provident Fund in Malaysia until his retirement in April 2013. Tan Sri Azlan Zainol is a fellow of the Institute of Chartered Accountants in England & Wales, a fellow and council member of the Asian Institute of Chartered Bankers, as well as a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He is also the Chairman of the Financial Reporting Foundation in Malaysia.

Past directorships in other listed companies over the preceding three years:
- Nil

CHANG SEE HIANG
Non-Executive and Independent Director
Mr Chang joined the Board on 16th July 1997 and was last re-elected as a director on 26th April 2013. He is Senior Partner of Chang See Hiang & Partners, a firm of advocates and solicitors. Mr Chang is a director of Parkway Pantai, STT Communications, IHH Healthcare and Valencia Club de Fútbol. He is also a board member of the Casino Regulatory Authority of Singapore and a member of the Securities Industry Council. Mr Chang graduated from the University of Singapore with a Bachelor of Law (Honours) degree.

Past directorships in other listed companies over the preceding three years:
- Yeo Hiap Seng

MARK GREENBERG
Non-Executive Director
Mr Greenberg joined the Board on 7th June 2006 as a non-executive director and was last re-elected as a director on 30th April 2014. He was appointed Group Strategy Director of Jardine Matheson Holdings in 2008 having first joined the Group in 2006. He is a director of Jardine Matheson Limited, Dairy Farm, Hongkong Land and Mandarin Oriental. He is also a commissioner of Astra and Bank Permata. He had previously spent 16 years in investment banking with Dresdner Kleinwort Wasserstein in London. Mr Greenberg graduated from Hertford College, Oxford University, with a Master of Arts degree in Modern History.

Past directorships in other listed companies over the preceding three years:
- Nil

HASSAN ABAS
Non-Executive and Lead Independent Director
Mr Hassan has served as a director on the Board since 18th December 1992 and was last re-elected as a director on 26th April 2013. He is Deputy Chairman of Peremba (Malaysia). He graduated from the University of Lancaster with a degree in Accounting and Finance and is a member of the Institute of Chartered Accountants in England & Wales.

Past directorships in other listed companies over the preceding three years:
- Nil

MICHAEL KOK
Non-Executive Director
Mr Kok joined the Board on 1st April 2013 and was last re-elected as a director on 26th April 2013. He was Group Chief Executive of Dairy Farm from 2007 until he retired from executive office in December 2012. He remains a non-executive director of Dairy Farm and is a director of SATS Ltd. He joined Dairy Farm in 1987 and has extensive experience in the retail industry in Asia. As a director of Dairy Farm Management Services from 1997 to 2012, he had prime responsibility for its retail businesses in South and East Asia. Mr Kok is a diploma holder from the Food Marketing Institute majoring in Marketing & Sales Management. He has completed the Senior Management Programme at London Business School and the Advanced Management Programme at Harvard Business School.

Past directorships in other listed companies over the preceding three years:
- Nil

BOARD OF DIRECTORS

MRS LIM HWEE HUA
Non-Executive and Independent Director
Mrs Lim joined the Board on 29th July 2011 and was last re-elected as a director on 29th April 2015. She is an Executive Director of Tembusu Partners and a director of United Overseas Bank, BW Group and ISCA Cares.
Mrs Lim is also Honorary Chairman of the Securities Investors Association (Singapore), a senior advisor to Kohlberg Kravis Roberts & Co, a member of Westpac Institution Bank's Asia Advisory Board and a Distinguished Visiting Fellow of National University of Singapore Business School. She was first elected to Parliament in December 1996 and served till May 2011. She last served as Minister in the Prime Minister's Office, Singapore, and concurrently as Second Minister for Finance and Transport. Prior to joining the government, she has had a varied career in financial services, including with Temasek Holdings as Managing Director (2000-2004), and Jardine Fleming (1992-2000).
Mrs Lim graduated with a Master/Bachelor of Arts (Honours) in Mathematics/Engineering from the University of Cambridge and obtained a Master of Business Administration from the University of California at Los Angeles.

Past directorships in other listed companies over the preceding three years:
• Stamford Land Corporation

DR MARTY NATALEGAWA
Non-Executive and Independent Director
Dr Natalegawa joined the Board on 24th February 2015 and was last re-elected as a director on 29th April 2015. He is a commissioner of PT Prudential Life Assurance.
He was Indonesia's Foreign Minister from 2009 to 2014, its Permanent Representative to the United Nations from 2007 to 2009 and its Ambassador to the Court of St. James' and Ireland from 2005 to 2007. Prior to that, he served as Director-General for ASEAN Cooperation in the Department of Foreign Affairs. He began his career with the Department of Foreign Affairs of the Republic of Indonesia in 1986.
Dr Natalegawa was awarded the Satyalancana Wira Karya medal by the Indonesian Government in 2011 and the Bintang Mahaputra Adipradana medal by the Indonesian President in 2014, a medal awarded to individuals who have contributed greatly to the nation. He was also made Honorary Knight Commander of the Order of St. Michael and St. George (KCMG) by Her Majesty Queen Elizabeth II of the United Kingdom of Great Britain and Northern Ireland in 2012. Dr Natalegawa obtained a Doctor of Philosophy from the Australian National University, a Master of Philosophy from the University of Cambridge and a Bachelor of Science (Honours) from the London School of Economics and Political Science.

Past directorships in other listed companies over the preceding three years:
• Nil

ANTHONY NIGHTINGALE
Non-Executive and Independent Director
Mr Nightingale has served on the Board since 1993 and was Chairman from 27th November 2002 to 31st March 2012. He was last re-elected as a director on 26th April 2013.
Mr Nightingale was Managing Director of Jardine Matheson Holdings, Dairy Farm, Hongkong Land, Jardine Strategic and Mandarin Oriental until he retired from executive office in March 2012 and remains a non-executive director of these companies. He is also a director of Prudential, Schindler Holding, Vitasoy International Holdings and Shui On Land, and a commissioner of Astra. Mr Nightingale is a non-official member of the Commission on Strategic Development and a Hong Kong representative to the Asia Pacific Economic Cooperation (APEC) Business Advisory Council. He is a council member of the Employers' Federation of Hong Kong, and a director of the UK ASEAN Business Council. He is also a Justice of Peace and Chairman of The Sailors Home and Missions to Seamen in Hong Kong. Mr Nightingale holds a Bachelor's degree (Honours) in Classics from Peterhouse, Cambridge University.

Past directorships in other listed companies over the preceding three years:
• Nil

JAMES WATKINS
Non-Executive and Independent Director
Mr Watkins joined the Board on 20th October 2003 and was last re-elected as a director on 30th April 2014.
He was Group General Counsel of Jardine Matheson Holdings from 1997 to 2003. Mr Watkins qualified as a solicitor in 1969 and was formerly a partner of English law firm, Linklaters & Paines. He is also a director of Hongkong Land, Mandarin Oriental, Global Sources and Asia Satellite Telecommunications Holdings. He graduated from Leeds University with a first-class (Honours) degree in Law.

Past directorships in other listed companies over the preceding three years:
• Advanced Semiconductor Manufacturing Corporation

Notes:
At the 47th Annual General Meeting to be held on 28th April 2016:

a. Anthony Nightingale, Chang See Hiang, Hassan Abas and Michael Kok shall retire and be eligible for re-election pursuant to Article 94 of the Company's Constitution;
b. Adrian Teng shall retire and be eligible for re-election pursuant to Article 99 of the Company's Constitution; and
c. Boon Yoon Chiang, who retires under the resolution passed at last year's Annual General Meeting pursuant to Section 153(6) of the Companies Act, Cap.50 (which was then in force), shall be eligible for re-appointment.

KEY MANAGEMENT STAFF

PRIJONO SUGIARTO
Mr Sugiarto is President Director of Astra and has overall responsibility for Astra's automotive and non-automotive businesses. He currently serves as President Commissioner of United Tractors, Astra Agro Lestari and Astra Honda Motor. He is also Vice President Commissioner of Toyota Astra Motor and Astra Daihatsu Motor. Prior to joining Astra in 1990, he was a Sales Engineering Manager at Daimler-Benz Indonesia. Mr Sugiarto obtained his Diplom-Ingenieur in Mechanical Engineering from the University of A.Sc. Konstanz, Germany in 1984, and Diplom-Wirtschaftsingenieur in Business Administration from the University of A.Sc. Bochum, Germany in 1986.

HASLAM PREESTON
Mr Preeston is Regional Managing Director of Jardine Cycle & Carriage, and is responsible for overseeing the Group's motor operations, excluding those held by Astra. He is a director of Cycle & Carriage Bintang and a commissioner of Tunas Ridean. Following an early career in the British army, he joined Jardine Matheson in 2001 where he has undertaken various roles in Jardine Wines & Spirits, Jardine Motors, Jardine Matheson Limited and Hongkong Land, in which time he was based in China, Macau, Hong Kong and Indonesia. Prior to his current appointment, he served as General Manager of Jakarta Land, a joint venture of Hongkong Land, and was earlier the General Manager of Zung Fu Motors (Macau) from 2002 to 2007. Mr Preeston was also Chairman of the British Chamber of Commerce in Indonesia from 2011 to 2014 and is currently a board member of the British Chamber of Commerce in Singapore. Mr Preeston has a Bachelor of Arts (War Studies) from King's College London, University of London and a Master of Arts (Chinese Studies) from the School of Oriental and African Studies, University of London. He has completed the General Management Programme at Harvard Business School.

CHEAH KIM TECK
Mr Cheah is the Managing Director, Business Development of Jardine Cycle & Carriage, and is responsible for developing new lines of business in the region. Prior to that, he was Chief Executive Officer of the Group's motor operations, excluding those held by Astra, until he stepped down from his position in December 2013. Mr Cheah also served on the Board since 2005 until he retired as director in 2014. He is a director of Mapletree Logistics Trust Management and Singapore Pools, and Deputy Chairman of Sport Singapore. Prior to joining the Group, he held several senior marketing positions in multinational companies, namely, McDonald's Restaurant, Kentucky Fried Chicken and Coca-Cola. He holds a Master of Marketing degree from Lancaster University, United Kingdom.

ERIC CHAN
Mr Chan is Managing Director - Singapore Motor Operations, and is responsible for the Group's motor operations in Singapore. He has been with Cycle & Carriage Industries since 1995 and has held various positions. Prior to his current appointment, he was the Chief Operating Officer of Cycle & Carriage Industries which is engaged in the retail and after-sales service of Mercedes-Benz vehicles. He has spent the last 21 years in the field of sales and marketing. He graduated from the National University of Singapore with a Bachelor degree in Arts and Social Science, majoring in Economics and Sociology and has completed the Accelerated Development Programme at London Business School.

WONG KIN FOO
Dato' Wong is Chief Executive Officer of Cycle & Carriage Bintang, and is responsible for the Group's motor operations in Malaysia. He has been with Cycle & Carriage Bintang since 1996 and last held the position of Chief Operating Officer and before that, Director of Retail Operations. Dato' Wong is an Associate Chartered Management Accountant, United Kingdom and is also a member of the Malaysian Institute of Accountants.

HO YENG TAT
Mr Ho is Group Company Secretary and Director of Group Corporate Affairs. He is responsible for compliance, legal, company secretarial, communications and public affairs at the Group level. He has previously worked in a government-linked corporation and a merchant bank, handling legal and corporate finance/loan syndication work, respectively. He graduated from the National University of Singapore with a Bachelor of Law (Honours) degree and a Master of Business Administration degree. He is also a graduate of the Association of Chartered Certified Accountants, United Kingdom.

CORPORATE GOVERNANCE

The Board of Jardine Cycle & Carriage Limited has put in place a Corporate Governance Policies Manual which sets out the Company's corporate governance practices and terms of reference for the Board, Audit Committee, Nominating Committee and Remuneration Committee, in line with the principles prescribed by the Code of Corporate Governance 2012.

This report describes the corporate governance practices of the Company for the financial year ended 31st December 2015, in adherence to the principles and guidelines of the Code of Corporate Governance 2012.

THE BOARD

Composition
The Board is composed largely of non-executive directors, the majority of whom are independent directors. It comprises two executive directors and 11 non-executive directors of whom six are independent. Key information regarding the directors, including those who are executive and non-executive and whether or not they are independent, can be found on pages 22 to 24 of the Annual Report.

The Board continually ensures that there is an appropriate mix of core competencies and skills among its members to provide the depth of knowledge and experience necessary to meet its responsibilities. One of the ways is by the addition of carefully selected new members; in the last five years, three new directors have joined the Board bringing with them a wealth of experience and skills. At the same time, the Board continues to benefit from long-serving members who have amassed valuable knowledge of the Group's businesses over the years and who are able to provide strategic direction and oversee management's performance in the medium to long-term. Together, there is a good balance and diversity of knowledge, experience and skills on the Board as well as stability in the Company's leadership.

Roles and Responsibilities
The Board has adopted a comprehensive set of Terms of Reference defining the roles and responsibilities of the Chairman, the Board, the Board committees and the Group Company Secretary. Board meetings are scheduled on a regular basis throughout the year in consultation with the Chairman. The Company's Constitution allows Board meetings to be held by way of telephone conference and other electronic means.

The Board is responsible for charting the overall strategy and direction of the Group and approves important matters such as major acquisitions, disposals, capital expenditure and the operating plan and budget. To safeguard shareholders' interests, there are also internal guidelines requiring the Board to review and approve material transactions, and these include major and discloseable transactions as referred to in the Singapore Exchange's Listing Manual.

In order to fulfil their duties, directors have access to adequate and timely information provided by the management, including monthly management accounts. In addition, the Board has separate and independent access to the Group Company Secretary and senior management. It is also empowered to seek independent professional advice as considered necessary.

An orientation pack is provided to newly-appointed directors explaining their duties and obligations, and briefings on the Group's businesses and strategic plans are arranged. The directors are also provided from time to time with continuing training and education to ensure that they are kept abreast of relevant new laws, regulations and practices. The directors are kept updated on industry-related developments to improve their understanding of the issues involved, leading to appropriate decision-making as board members. These include updates and presentations by consultants to the Audit Committee on changes to accounting standards and issues which have a direct impact on financial statements. There is a clear division of responsibilities between the roles of the Chairman and Group Managing Director. The Group Managing Director is the chief executive officer of the organisation, whereas the Chairman occupies a non-executive position and chairs the Board meetings. Since the Chairman is not an independent director, a lead independent director, Hassan Abas, has been appointed to provide shareholders with an independent channel for contact with the Company.

Communication with Shareholders
The Board ensures regular and timely communication with shareholders through announcements on the SGXNET and postings on the Company's website, as well as quarterly and year-end reporting of its results. Shareholders are informed of shareholders' meetings through notices published in the newspapers and reports or circulars sent to all shareholders. At these meetings, each specific matter is proposed as a separate resolution to be put to a vote by poll. Shareholders are also invited to put forth any questions they may have on the motions to be discussed and decided upon. If any shareholder is unable to attend, he is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance. The Annual General Meeting is the principal forum for dialogue with shareholders, where the directors, members of the Board committees and external auditors are available to answer questions.

The Company meets once a year with the media and analysts after the announcement of its full year results. The Company also receives requests from time to time from institutional and retail investors and meets with them on an ad hoc basis. Designated management spokespersons are present at such meetings. They include the Group Managing Director, Group Finance Director and Group Company Secretary.

Internal Controls and Risk Management
The Board believes in the importance of a sound system of internal controls and risk management to safeguard shareholders' interests and the Company's assets as well as to achieve corporate objectives. The Board has overall responsibility for the Group's internal controls and risk management and reviews the adequacy and effectiveness of these control and risk management systems, including financial, operational, compliance and information technology controls.

The Board has received assurances from the Group Managing Director and Group Finance Director that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and the system of risk management and internal controls in place is adequate and effective in addressing the material risks in the Group in its current business environment. The Board, with the concurrence of the Audit Committee, is satisfied that adequate and effective internal controls including financial, operational, information technology and compliance controls and risk management systems are in place and meet the needs of the Group in its current business environment. This conclusion is based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by management throughout the financial year 2015, as well as the assurances from the Group Managing Director and Group Finance Director as mentioned above.

The Board notes that the Group's system of internal controls is designed to manage the Group's risks within an acceptable risk profile, rather than eliminate business risk completely. The Group's internal controls and risk management systems provide reasonable but not absolute assurance that the Group will not be materially adversely affected by any event that can be reasonably foreseen and do not provide absolute assurance against material misstatements, the occurrence of material or human errors, poor judgment in decision-making, losses, fraud or other irregularities.

Board Committees
To assist it in the discharge of its responsibilities, the Board has established an Audit Committee, a Nominating Committee and a Remuneration Committee. From time to time, the Board also establishes ad hoc committees to look into specific matters. The composition and functions of these committees are described below.

NOMINATING COMMITTEE

The members of the Nominating Committee are Chang See Hiang, Hassan Abas and Benjamin Keswick. Two of the members are independent and all are non-executive. The Nominating Committee is chaired by Chang See Hiang, an independent non-executive director. The members of the Nominating Committee carry out their duties in accordance with the Terms of Reference defining their roles and responsibilities.

Board Appointments
The primary function of the Nominating Committee is to make recommendations to the Board on all Board appointments, including the Company's representatives on the boards of the Group's subsidiaries and associates. It ensures that the Board and board committees comprise directors who as a group provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Company as well as a mix of core competencies in areas such as accounting, finance, business, management, law, industry knowledge, strategic planning and customer-based knowledge. It also determines the size of the Board after taking into consideration the scope and nature of operations of the Group.

There is a formal and transparent process for the appointment of new directors. The Nominating Committee reviews each proposal for the appointment of a new member to the Board. The candidate will be assessed for his or her suitability and potential contribution to the Board, taking into account the existing competencies, knowledge and experience of the other Board members. After considering factors such as the candidate's professional qualifications, business experience and capabilities, suitable candidates will be nominated to the Board for approval.

All newly appointed directors are subject to election by shareholders at the next Annual General Meeting. Further, in accordance with the Company's Constitution, at least one-third of the directors, including the Group Managing Director, is required to retire by rotation and submit themselves for re-election at each Annual General Meeting. The Nominating Committee also makes recommendations to the Board on the re-election of the directors. It develops and maintains internal guidelines used to evaluate the directors' ability and performance for the purpose of submitting them for re-nomination and re-election.

Independent Directors
The responsibilities of the Nominating Committee also include assessing annually the independence of directors.

Consistent with the Code of Corporate Governance 2012, the Nominating Committee carried out an assessment of the independence of six non-executive directors, namely Hassan Abas, Chang See Hiang, James Watkins, Tan Sri Azlan Zainol, Mrs Lim Hwee Hua and Dr Marty Natalegawa. Of these directors, all except Mrs Lim Hwee Hua and Dr Marty Natalegawa, had served on the Board beyond nine years from their date of first appointment and were subjected to particularly rigorous review.

The Board has taken into account the recommendations of the Nominating Committee and considered the six non-executive directors to be independent for the following reasons:

(a) there was an absence of relationships with the Company, its related corporations, its 10% shareholder or its officers that could interfere, or be reasonably perceived to interfere, with such director's exercise of independent business judgment with a view to the best interests of the Company;

(b) each of these directors actively participated in deliberations and spoke out (when necessary) to question management's ideas and proposals to avoid a 'group-think' situation;

(c) each of these directors considered himself to be an independent director of the Company and is free of material business or financial connection with the Company;

(d) for the directors who have served on the Board beyond nine years, the following are the additional reasons for their independence:

(i) despite their long tenure on the Board, they have each demonstrated independent character and judgment;

(ii) having served for more than nine years, they have each demonstrated attributes which helped provide effective oversight of management, namely, a detailed knowledge of the Company's business and proven commitment, experience and competence; and

(iii) taking into account the personal attributes, skills and competency of these directors in relation to the current and future needs of the Board, the Company would continue to benefit from the experience and knowledge of each of these directors.

Board Performance

The assessment of the Board as a whole and its Board committees, and the contribution of each individual director to the effectiveness of the Board is carried out annually and overseen by the Nominating Committee. The formal performance assessment process is set out in the Company's Corporate Governance Policies Manual, and uses self-assessment with certain set performance criteria.

For individual director's performance, each director performs a self-evaluation by completing a checklist containing a set of pre-determined performance criteria. The performance criteria cover areas such as attendance and adequacy of preparation for Board and Board committee meetings, contributions in topics like strategic/business decisions, finance/accounting, risk management, legal/regulatory, human resource management, generation of constructive debate, maintenance of independence and disclosure of related party transactions. These relate directly to areas in which a director would be expected to contribute and are designed to encourage the director to be more effective. Each director's self-evaluation is also reviewed by the Nominating Committee.

In making its assessment of a director's ability and performance in adequately carrying out his duties as a director of the Company, the Nominating Committee will take into consideration the competing time commitments that are faced by the directors who serve on multiple boards. However, the Board is of the view that the number of listed company board representations should not be the only measure of a director's commitment and ability to contribute effectively to the Board. Hence, the Board has decided not to set a maximum number of listed company board representations which any director may concurrently hold, as this would be arbitrary and may be unnecessarily limiting.

For the Board's performance as a whole and its Board committees, the Company has adopted a set of quantitative and qualitative performance criteria. For the quantitative assessment, the share price performance, return on capital employed and earnings per share of the Company are compiled over a five-year period and compared with the Straits Times Index and industry peers which have similar businesses as the Company. The selection of industry peers is reviewed annually to ensure that the comparison is objective and relevant. The collation of information and the comparison are carried out by external consultants, who have no connection with the Company or any of its directors, and set out in a performance benchmark report which is then reviewed by the Nominating Committee. For the qualitative assessment, the Nominating Committee carries out a self-evaluation of the Board and Board committee's performance using a set of comprehensive pre-determined performance criteria. The areas that are covered are Board structure, conduct of meetings, corporate strategy and planning, risk management and internal control, measurement and monitoring of performance, recruitment and evaluation, compensation, succession planning, financial reporting and communication with shareholders.

Directors' Attendance at Board and Board Committee Meetings

The table below sets out the number of meetings of the Company's directors including meetings of the Board committees during the financial year ended 31st December 2015.

	No. of Board Meetings		No. of Nominating Committee Meetings		No. of Audit Committee Meetings		No. of Remuneration Committee Meetings	
Director	Held whilst a Director	Attended	Held whilst a Member	Attended	Held whilst a Member	Attended	Held whilst a Member	Attended
Benjamin Keswick	4	4	1	1	NA	NA	2	2
Boon Yoon Chiang	4	4	NA	NA	4	4	NA	NA
Alexander Newbigging	4	4	NA	NA	NA	NA	NA	NA
Chiew Sin Cheok	4	4	NA	NA	NA	NA	NA	NA
Tan Sri Azlan Zainol	4	4	NA	NA	NA	NA	NA	NA
Chang See Hiang	4	4	1	1	4	4	2	2
Mark Greenberg	4	3	NA	NA	4	2	NA	NA
Hassan Abas	4	4	1	1	4	4	2	2
Michael Kok	4	4	NA	NA	NA	NA	NA	NA
Mrs Lim Hwee Hua	4	4	NA	NA	4	4	NA	NA
Dr Marty Natalegawa*	3	3	NA	NA	NA	NA	NA	NA
Anthony Nightingale	4	4	NA	NA	NA	NA	NA	NA
James Watkins	4	4	NA	NA	4	4	2	2

* Appointed 24th February 2015

REMUNERATION COMMITTEE

The Remuneration Committee consists entirely of non-executive directors, the majority of whom are independent, and is chaired by a non-executive independent director, James Watkins. The other members are Chang See Hiang, Hassan Abas and Benjamin Keswick.

The members of the Remuneration Committee carry out their duties in accordance with the Terms of Reference defining their roles and responsibilities. The Remuneration Committee is responsible for reviewing the remuneration of key management personnel and advising the Board on the framework of remuneration policies for executive directors and senior executives, as well as the framework of fees payable to non-executive directors. These policies are designed to attract, retain and motivate them to align their interests with the growth of the Company, in order to increase shareholder value. Several members of the Remuneration Committee are knowledgeable in the field of executive compensation. If necessary, the Remuneration Committee will seek expert advice from consultants on executive compensation matters.

The remuneration for executive directors and key management personnel is structured to link rewards to corporate and individual performance. The remuneration policy for executive directors and key management personnel consists of both a fixed and variable component. The fixed component comprises salary, provident fund contributions and other allowances. The variable component comprises a performance-based bonus, which is payable on the achievement of individual and corporate performance conditions which are set or refreshed annually. The performance of the executive directors is based on the Board's assessment as described in the earlier section, while those of the key management personnel are based on appraisals done by the executive directors.

Short-term and long-term incentive plans have been designed to strengthen the pay for performance framework and to reward participants for the success of the business units and the Group. Performance targets to be met under the short-term incentive plan include annual earnings, which are benchmarked against the budget, and individual qualitative key performance indicators, other than earnings, that focus on short-term and long-term success and profitability. Individual payments are made based on performance appraisals. Under the long-term incentive plan, an incentive pool is created from which payment is made for performance measured in three-year cycles that exceeds baseline targets, as approved by the Remuneration Committee. These performance targets are chosen because they are closely aligned with the long-term success of the Group and shareholders' interests. The performance conditions under the plans were reviewed to ensure that they were met in respect of any payout for 2015. The Group does not use any contractual provisions to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss of the Group. The Company does not currently operate any share-based incentive plan.

No service contract has been signed with any executive director.

Directors' fees for non-executive directors are determined having regard to best market practice, the level of duties and responsibilities of the directors and the size and diversity of the Group's operations and were last reviewed in 2012. The directors' fees paid include Board committee membership fees as set out below, attendance fees of S$1,000 per meeting (capped at one meeting fee per day, regardless of the number of meetings attended on that day) and benefits-in-kind, all of which are approved by shareholders at the Annual General Meeting.

In November 2015, the Remuneration Committee conducted a review of the directors' fees for non-executive directors and recommended a revision to bring them more in line with market practice for similar sized companies and to enable the Company to continue to attract and retain qualified and effective non-executive directors. The current and proposed revised directors' fees are as follows:

Chairman	Current S$	Revised S$
Board	120,000	140,000
Audit Committee	40,000	50,000
Remuneration Committee	14,000	15,000
Nominating Committee	14,000	15,000

Member	Current S$	Revised S$
Board	60,000	70,000
Audit Committee	20,000	25,000
Remuneration Committee	7,000	10,000
Nominating Committee	7,000	10,000

It is also proposed that an attendance fee of S$1,500 per meeting (capped at one meeting fee per day, regardless of the number of meetings attended on that day) be payable.

The Board, after due deliberation, accepted the recommendation to revise the Directors' fees subject to shareholders' approval at the Annual General Meeting.

No directors' fees are paid to executive directors.

Remuneration of Directors and Key Management Personnel
The remuneration of the directors of the Company and the top five key management personnel (who are not also directors) of the Group for the financial year ended 31st December 2015 is shown in the following tables, broken down into the various elements in dollar terms and percentages, respectively:

Directors	Directors' fees S$000	Base salary S$000	Variable bonus S$000	Defined benefits/ contribution plans S$000	Benefits-in-kind S$000	Total S$000
Benjamin Keswick	138	–	–	–	–	138
Boon Yoon Chiang	84	–	–	–	3	87
Alexander Newbigging#	–	487	2,007	88	879	3,461
Chiew Sin Cheok#	–	437	831	79	587	1,934
Tan Sri Azlan Zainol	64	–	–	–	–	64
Chang See Hiang	105	–	–	–	–	105
Mark Greenberg	83	–	–	–	–	83
Hassan Abas	118	–	–	–	–	118
Michael Kok	64	–	–	–	–	64
Mrs Lim Hwee Hua	84	–	–	–	–	84
Dr Marty Natalegawa*	54	–	–	–	–	54
Anthony Nightingale	64	–	–	–	–	64
James Watkins	98	–	–	–	–	98

Executive Director
* Appointed 24th February 2015

Key Management Personnel	Base salary %	Variable bonus %	Defined benefits/ contribution plans %	Benefits-in-kind %	Total %
S$250,000 to S$499,999					
Collin Teo	30	59	3	8	100
S$500,000 to S$749,999					
Alvyn Ang	30	61	2	7	100
S$750,000 to S$999,999					
Eric Chan	30	59	2	9	100
Haslam Preeston	30	27	5	38	100
S$1,000,000 to S$1,249,999					
Cheah Kim Teck	54	36	–	10	100

Notes:
(1) Directors' fees for non-executive directors, including benefits-in-kind, were approved by the shareholders as a lump sum at the Annual General Meeting held in 2015.
(2) Benefits-in-kind refer to benefits such as car, driver, housing and club membership made available as appropriate.
(3) The total remuneration of the top five key management personnel for the financial year ended 31st December 2015 was S$4,088,000.
(4) No stock options or share-based incentives or awards were paid to directors and key management personnel for the financial year ended 31st December 2015.

There are no Company employees who are immediate family members of a director.

AUDIT COMMITTEE
The Chairman of the Audit Committee is Hassan Abas and the members are Boon Yoon Chiang, Chang See Hiang, Mark Greenberg, Mrs Lim Hwee Hua and James Watkins. All the members are non-executive and four of them including the Chairman are independent. Three of the members have expertise in financial management, of whom, one is a chartered accountant.

The members of the Audit Committee carry out their duties in accordance with the Terms of Reference defining their roles and responsibilities. The primary function of the Audit Committee is to help the Board in fulfilling its statutory and fiduciary responsibilities in relation to the Group's financial reporting, ensuring the integrity of financial statements, reviewing financial and control risks and monitoring of the internal control systems. The Audit Committee has access to management and has the discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The Internal Audit function (excluding Astra), which reports directly to the Chairman of the Audit Committee, provides an independent and objective assurance on internal controls and assists the Audit Committee in reviewing how principal business risks in the Group are evaluated. The Internal Audit function is independent of the operating companies and employs qualified professionals to handle the work in accordance with prevailing professional standards. The Internal Audit function reviews the effectiveness of the internal control system and management control system. These reviews are conducted regularly throughout the year in accordance with an agreed plan to ensure material internal controls are in place. The Audit Committee approves the audit plans, reviews the audit findings and follows up on implementation plans. The Audit Committee evaluates the adequacy of the Internal Audit function annually.

The Internal Audit function of the Astra group is similar to that mentioned in the preceding paragraph and is performed by the various internal audit units which report to the respective board of commissioners within the Astra group. The internal audit department of Astra's parent company provides advice and support to these various internal audit units to ensure alignment, adequate coverage and consistent standards. The Audit Committee receives quarterly reports on internal audit plans, audit findings and implementation plans from the Astra group.

The Group has in place a risk management programme to identify and report on areas of potential business risks, and to recommend counteracting measures to prevent and minimise any loss arising from the business risks identified. The Risk Registers are updated regularly and a Risk Management Review, which is included in this section, is submitted to the Audit Committee annually.

In performing its functions, the Audit Committee also reviews and approves audit plans for external audit. It meets with the external auditors to discuss significant accounting and auditing issues arising from their audit, other audit findings and recommendations. The Audit Committee recommends to the Board on the re-appointment of the external auditors, approves their remuneration and terms of engagement, and ensures that Rules 712 and 715 of the Singapore Exchange's Listing Manual are complied with.

The Audit Committee meets with both internal and external auditors annually without the presence of management to discuss any matters that the Audit Committee or auditors believe should be discussed privately.

Prior to the completion and announcement of the quarterly and full year results, the Audit Committee and the senior management review the Group's financial information to ensure that it is properly presented and that appropriate accounting policies have been applied in the preparation of financial information.

The Audit Committee serves as an independent party to review financial information prepared by the management for shareholders, as well as the channel of communication between the Board and external auditors.

The Audit Committee also reviews or approves the interested person transactions entered or proposed to be entered into during the year as recorded in the Register of Interested Person Transactions (excluding transactions less than S$100,000).

For the year ended 31st December 2015, the following interested person transactions were entered into:

	Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	US$m	US$m
Jardine Matheson Limited – management support services	–	3.7
PT Hero Supermarket – transportation services (staff/goods)	0.1	0.7
Hongkong Land (Singapore) Pte Ltd – sale of a motor vehicle	–	0.2
Director of the Company, Michael Kok – sale of a motor vehicle	0.2	–
Schindler Lifts (Singapore) Pte Ltd – replacement of lifts	–	0.2
Jardine Lloyd Thompson Limited – insurance brokerage services	–	0.1
Total	0.3	4.9

Save for those transactions disclosed above, no material contract has been entered into by the Group involving the interests of the Group Managing Director, any director or controlling shareholder, either as at the end of the financial year or since the end of the financial year.

The Group has a Corporate Code of Conduct that encapsulates many of the Group's longstanding policies. The Audit Committee reviews and approves any changes made to the code. These policies apply to all employees and set out the standards within which they are expected to act. The policies are aimed at the maintenance of standards of honesty, integrity and fair dealing by all employees in their dealings with customers, suppliers, interested persons, the community, competitors and other internal units in the performance of their duties and responsibilities.

The Group also has in place whistle blowing policies which come under the purview of the Audit Committee to ensure independent investigation and appropriate follow-up action on any concerns raised.

The Company has adopted internal guidelines on dealings in securities by directors and employees of the Company and Group companies. The guidelines incorporate the best practices on the subject issued by the Singapore Exchange Securities Trading Limited or the appropriate regulatory requirements of the markets on which the securities are listed. Under the guidelines, directors and employees who are in possession of unpublished material price-sensitive information are prohibited from dealing in the Company's or any Group company's securities. They are not permitted to deal on short-term considerations or during the relevant closed periods immediately preceding the announcement of results.

The Audit Committee also reviews the range and value of non-audit services provided by the external auditors on an annual basis. For the financial year which recently ended, it was satisfied that the provision of such non-audit services had not affected the independence of the external auditors.

The Company has complied with Rules 712 and 715 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited with regards to the auditing firms.

RISK MANAGEMENT REVIEW

The Group has a formal risk management process to identify, evaluate and manage significant risks impacting the Group. The process is supported by a policy as well as detailed procedures, methodologies, evaluation criteria and documentation requirements with the aim of ensuring clarity and consistency of application across the Group. These procedures and methodologies are regularly reviewed to include new elements that aim at enhancing the reporting process in order to make it more comprehensive, of more value to the Audit Committee and in line with current best practices.

Management is required to comprehensively identify and assess significant risks in terms of the likelihood of occurrence, magnitude and speed of impact.

Management is also required to identify and evaluate the adequacy and implementation of mechanisms to manage, mitigate, avoid or eliminate these risks. The level of risk that management is willing to tolerate in order to achieve the business objectives are also considered. The process encompasses assessments and evaluations at business unit level before being examined at the Group level.

The Risk Registers are updated on a bi-annual basis and a Risk Management Review is presented annually to the Audit Committee on the significant risks, measures taken by management to address them and residual risk exposures impacting the Group.

The following are the major residual risk exposures.

1. **Dependence on Investment in Astra**
   Astra is the major contributor to the Group's earnings and represents a significant proportion of the Group's total assets. Consequently, any adverse changes in the political, social or economic situation in Indonesia or any other factors, including changes in laws, regulations and policies by the Indonesian or other foreign governments, any termination of or material changes to key licensing and distribution agreements between Astra and its strategic partners or any pricing actions Astra may have to take in response to competition which have a material adverse impact on Astra's financial performance, will in turn have a significant impact on the Group's earnings and total assets.

   The Group is exposed to foreign currency fluctuations, mainly through Astra. Any significant depreciation of the rupiah will have an adverse impact on the Group's earnings and total assets.

2. **Terrorists' Attacks, Other Acts of Violence and Natural Disasters**
   Terrorists' attacks, other acts of violence and natural disasters may directly impact the Group's physical facilities or those of its suppliers and customers and have an adverse impact on the Group's earnings and total assets. Such risks cannot be totally eliminated. However, the Group takes up appropriate insurance as part of its risk management.

3. **Outbreak of Contagious or Virulent Diseases**
   A pandemic outbreak or spread of contagious or virulent diseases such as severe acute respiratory syndrome or avian influenza may result in quarantine restrictions on the Group's staff, suppliers and customers and limit access to facilities. These could have a significant negative impact on the Group's earnings and total assets.

4. **Competition, Economic Cycle, Commodity Prices and Government Regulations**
   The Group faces competition in each of its businesses. If the Group is unable to compete successfully against its existing competitors or new entrants to the industries in which it operates, its business, financial condition and results of operations will be adversely affected.

   The Group's financial performance fluctuates with the economic cycle. Market forces and their resultant movements can significantly impact the earnings and asset position of the Group.

   The Group is also exposed to financial risks arising from changes in commodity prices, primarily crude palm oil and coal.

   The Group's businesses are impacted by government regulations and policies relevant to the respective industries and territories. Free trade agreements may also result in increased competition which may have an adverse effect on the Group's earnings and total assets.

5. **Exclusive Business Arrangements**
   The Group currently has a number of subsidiaries, associates and joint ventures in Vietnam, Singapore, Malaysia, Indonesia and Myanmar engaged in the automotive business that enjoy exclusive rights in various forms either as a manufacturer, assembler, distributor or dealer.

   Management works to meet targets and improve business performance. Notwithstanding this, any change in the strategies of the principals may be beyond management's control. In certain cases, any withdrawal or dilution of the exclusive rights can potentially have a significant impact on the Group's earnings and total assets.

6. **Financial Risk**
   The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. It manages its exposure to financial risks by using a variety of techniques and instruments.

   The Group has an internal policy which prohibits speculative transactions to be undertaken and only enters into derivative financial instruments in order to hedge underlying exposures. The objective is to provide a degree of certainty on costs. The investment of the Group's surplus cash resources is managed so as to minimise credit risk while seeking to enhance yield. The steps taken by the Group to manage its exposure to financial risks are set out in further detail under Financial Risk Management on page 63, Note 2.31 to the Financial Statements. The Group also has a system of internal controls as described in this report.

   Notwithstanding the risk management policies of the Group, any unanticipated fluctuations in debt and equity market prices, foreign currency exchange rates and interest rates may have an adverse effect on the Group's earnings and total assets.

FINANCIAL STATEMENTS

Mazda Showroom
Vietnam

DIRECTORS' STATEMENT

The directors of Jardine Cycle & Carriage Limited present their statement to the members together with the audited financial statements for the financial year ended 31st December 2015.

In the opinion of the directors,

(a) the accompanying financial statements set out on pages 40 to 124 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company at 31st December 2015, the financial performance and the changes in equity of the Group and of the Company and the cash flows of the Group for the financial year then ended; and

(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.

1. Directors

The directors of the Company in office at the date of this statement are as follows:

Benjamin William Keswick (Chairman)
Boon Yoon Chiang (Deputy Chairman)#
David Alexander Newbigging (Group Managing Director)
Chiew Sin Cheok (Group Finance Director)
Tan Sri Azlan Zainol
Chang See Hiang#
Mark Spencer Greenberg#
Hassan Abas#
Michael Kok Pak Kuan
Lim Hwee Hua#
Raden Mohammad Marty Muliana Natalegawa (appointed on 24th February 2015)
Anthony John Liddell Nightingale
James Arthur Watkins#

\# Audit Committee member.

2. Directors' Interests

As at 31st December 2015 and 1st January 2015, the directors of the Company had interests set out below in the ordinary shares of the related companies. These were direct interests except where otherwise indicated:

Name of director/ Par value per share	Jardine Matheson US$0.25	Jardine Strategic US$0.05	Dairy Farm US$0.05 5/9	Astra International Rp50	Hongkong Land US$0.10
As at 31st December 2015					
Benjamin Keswick	2,694,812 39,683,431*	-	-	-	-
Michael Kok	-	-	282,888	-	-
Anthony Nightingale	1,186,780	18,207	34,183	6,100,000	2,184
James Watkins	50,000	-	-	-	-
As at 1st January 2015					
Benjamin Keswick	2,595,083 39,507,924*	-	-	-	-
Michael Kok	-	-	582,888	-	-
Anthony Nightingale	1,157,335 11,335#	18,052	34,183	6,100,000	2,184
James Watkins	50,000	-	-	-	-

\# Non-beneficial deemed interest.
* Deemed interest in shares held by family trusts in which Benjamin Keswick is a beneficiary.

2. Directors' Interests (continued)

In addition:

(a) At 31st December 2015, Benjamin Keswick, Alexander Newbigging, Chiew Sin Cheok and Mark Greenberg held options in respect of 170,000 (1.1.15: 220,000), 40,000 (1.1.15: 80,000), 40,000 (1.1.15: 20,000) and 240,000 (1.1.15: 240,000) ordinary shares, respectively, in Jardine Matheson issued pursuant to that company's Senior Executive Share Incentive Schemes.

(b) At 31st December 2015 and 1st January 2015, Benjamin Keswick and Mark Greenberg had deemed interests in 35,915,991 ordinary shares in Jardine Matheson as discretionary objects under the 1947 Trust, the income of which is available for distribution to senior executive officers and employees of Jardine Matheson and its wholly-owned subsidiaries.

There were no changes in the abovementioned interests with regards to the Company between the end of the financial year and 21st January 2016.

No other person who was a director of the Company at the end of the financial year had an interest in any shares or debentures of the Company or its related companies either at the beginning or end of the financial year or on 21st January 2016.

At no time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. Audit Committee

In relation to the financial statements of the Group and the Company for the financial year ended 31st December 2015, the Audit Committee reviewed the audit plans and scope of the audit examination of the internal and external auditors of the Company. The internal and external auditors' findings on the internal controls of the companies within the Group and management's response to these findings were also discussed with the internal and external auditors and management. The Audit Committee's activities included a review of the financial statements of the Group and the Company for the financial year ended 31st December 2015 and the reports of the external auditors thereon. The Audit Committee has had four meetings since the report of the previous financial year.

The Audit Committee has recommended to the Board of Directors the re-appointment of our auditors, PricewaterhouseCoopers LLP, as external auditors of the Company at the forthcoming Annual General Meeting.

4. Share Options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

DIRECTORS' STATEMENT

5. Auditors

Our auditors, PricewaterhouseCoopers LLP, being eligible, have expressed their willingness to accept re-appointment at the Annual General Meeting.

On behalf of the directors

Benjamin Keswick
Director

Hassan Abas
Director

Singapore
11th March 2016

INDEPENDENT AUDITOR'S REPORT

To the members of Jardine Cycle & Carriage Limited (Incorporated in Singapore) and subsidiaries

Report on the Financial Statements

We have audited the accompanying financial statements of Jardine Cycle & Carriage Limited (the "Company") and its subsidiaries (the "Group") set out on pages 40 to 124, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31st December 2015, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group and the profit and loss account, the statement of comprehensive income and the statement of changes in equity of the Company for the 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 (the "Act") and International 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet, the profit and loss account, the statement of comprehensive income and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31st December 2015, and of the financial performance, changes in equity of the Group and of the Company and cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
11th March 2016

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2015

	Notes	2015 US$m	2014 US$m
Revenue	3	**15,718.3**	18,675.4
Net operating costs	4	**(14,552.8)**	(16,897.4)
Operating profit		**1,165.5**	1,778.0
Financing income		**84.1**	102.0
Financing charges		**(105.1)**	(117.0)
Net financing charges	6	**(21.0)**	(15.0)
Share of associates' and joint ventures' results after tax	16	**471.1**	576.2
Profit before tax		**1,615.6**	2,339.2
Tax	7	**(336.0)**	(478.8)
Profit after tax		**1,279.6**	1,860.4
Profit attributable to:			
Shareholders of the Company		**688.1**	820.2
Non-controlling interests		**591.5**	1,040.2
		1,279.6	1,860.4

	Notes	US¢	US¢
Earnings per share:			
- basic	9	**182**	224
- diluted	9	**182**	224

The notes on pages 50 to 124 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2015

	Notes	2015 US$m	2014 US$m
Profit for the year		**1,279.6**	1,860.4
Items that will not be reclassified to profit and loss:			
Asset revaluation reserve			
- surplus during the year		**-**	14.6
Remeasurements of defined benefit plans		**(5.9)**	(3.4)
Tax relating to items that will not be reclassified	7	**1.3**	1.0
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax		**(2.3)**	4.7
		(6.9)	16.9
Items that may be reclassified subsequently to profit and loss:			
Translation differences			
- losses arising during the year		**(1,088.5)**	(246.8)
Available-for-sale investments			
- gains/(losses) arising during the year	17	**(31.7)**	25.4
- transfer to profit and loss		**(6.9)**	(19.2)
		(38.6)	6.2
Cash flow hedges			
- gains/(losses) arising during the year		**141.2**	(133.9)
- transfer to profit and loss		**(97.1)**	103.1
		44.1	(30.8)
Tax relating to items that may be reclassified	7	**(11.2)**	7.5
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax		**5.0**	(4.5)
		(1,089.2)	(268.4)
Other comprehensive expense for the year, net of tax		**(1,096.1)**	(251.5)
Total comprehensive income for the year		**183.5**	1,608.9
Attributable to:			
Shareholders of the Company		**172.8**	697.6
Non-controlling interests		**10.7**	911.3
		183.5	1,608.9

The notes on pages 50 to 124 form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET

As at 31st December 2015

	Notes	2015 US$m	2014 US$m
Non-current assets			
Intangible assets	10	**894.2**	922.3
Leasehold land use rights	11	**569.1**	618.3
Property, plant and equipment	12	**2,878.4**	3,548.1
Investment properties	13	**253.2**	203.7
Plantations	14	**858.8**	907.6
Interests in associates and joint ventures	16	**3,261.7**	2,624.4
Non-current investments	17	**404.3**	525.0
Non-current debtors	20	**2,639.4**	2,898.6
Deferred tax assets	25	**220.0**	231.6
		11,979.1	12,479.6
Current assets			
Current investments	17	**31.7**	17.8
Stocks	18	**1,531.7**	1,538.1
Current debtors	20	**4,231.6**	4,704.9
Current tax assets		**158.3**	109.7
Bank balances and other liquid funds			
- non-financial services companies		**1,927.6**	1,389.9
- financial services companies		**247.5**	382.1
	21	**2,175.1**	1,772.0
		8,128.4	8,142.5
Total assets		**20,107.5**	20,622.1
Non-current liabilities			
Non-current creditors	22	**164.4**	280.0
Provisions	23	**94.4**	89.2
Long-term borrowings			
- non-financial services companies		**701.1**	448.3
- financial services companies		**1,796.0**	2,176.3
	24	**2,497.1**	2,624.6
Deferred tax liabilities	25	**293.8**	401.7
Pension liabilities	26	**219.6**	210.1
		3,269.3	3,605.6

The notes on pages 50 to 124 form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31st December 2015

	Notes	2015 US$m	2014 US$m
Current liabilities			
Current creditors	22	**3,006.8**	2,983.9
Provisions	23	**60.6**	55.7
Current borrowings			
- non-financial services companies		**971.6**	1,180.7
- financial services companies		**1,683.2**	1,891.8
	24	**2,654.8**	3,072.5
Current tax liabilities		**107.5**	105.8
		5,829.7	6,217.9
Total liabilities		**9,099.0**	9,823.5
Net assets		**11,008.5**	10,798.6
Equity			
Share capital	27	**1,381.0**	632.6
Revenue reserve	28	**5,221.4**	4,813.7
Other reserves	29	**(1,335.5)**	(823.1)
Shareholders' funds		**5,266.9**	4,623.2
Non-controlling interests	30	**5,741.6**	6,175.4
Total equity		**11,008.5**	10,798.6

The notes on pages 50 to 124 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2015

	Notes	Attributable to shareholders of the Company						Attributable to non-controlling interests US$m	Total equity US$m
		Share capital US$m	Revenue reserve US$m	Asset revaluation reserve US$m	Translation reserve US$m	Fair value and other reserves US$m	Total US$m		
2015									
Balance at 1st January		**632.6**	**4,813.7**	**347.0**	**(1,196.0)**	**25.9**	**4,623.2**	**6,175.4**	**10,798.6**
Total comprehensive income		**-**	**685.2**	**-**	**(501.4)**	**(11.0)**	**172.8**	**10.7**	**183.5**
Dividends paid by the Company	8	**-**	**(305.9)**	**-**	**-**	**-**	**(305.9)**	**-**	**(305.9)**
Dividends paid to non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**(465.0)**	**(465.0)**
Issue of shares by the Company	27	**752.3**	**-**	**-**	**-**	**-**	**752.3**	**-**	**752.3**
Issue of shares to non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**1.6**	**1.6**
Share issue expenses of the Company	27	**(3.9)**	**-**	**-**	**-**	**-**	**(3.9)**	**-**	**(3.9)**
Change in shareholding		**-**	**19.1**	**-**	**-**	**-**	**19.1**	**(19.5)**	**(0.4)**
Acquisition of subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**28.4**	**28.4**
Others		**-**	**9.3**	**-**	**-**	**-**	**9.3**	**10.0**	**19.3**
Balance at 31st December		**1,381.0**	**5,221.4**	**347.0**	**(1,697.4)**	**14.9**	**5,266.9**	**5,741.6**	**11,008.5**
2014									
Balance at 1st January		632.6	4,329.9	338.8	(1,078.8)	38.6	4,261.1	5,621.9	9,883.0
Total comprehensive income		-	819.3	8.2	(117.2)	(12.7)	697.6	911.3	1,608.9
Dividends paid by the Company	8	-	(379.6)	-	-	-	(379.6)	-	(379.6)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(493.1)	(493.1)
Change in shareholding		-	44.2	-	-	-	44.2	135.4	179.6
Others		-	(0.1)	-	-	-	(0.1)	(0.1)	(0.2)
Balance at 31st December		632.6	4,813.7	347.0	(1,196.0)	25.9	4,623.2	6,175.4	10,798.6

The notes on pages 50 to 124 form an integral part of the financial statements.

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2015

	Notes	**2015 US$m**	2014 US$m
Revenue	3	**410.1**	417.3
Net operating income/(costs)	4	**54.1**	(19.0)
Operating profit		**464.2**	398.3
Financing charges	6	**(2.6)**	(0.8)
Profit before tax		**461.6**	397.5
Tax	7	**(33.3)**	(37.2)
Profit after tax		**428.3**	360.3

The notes on pages 50 to 124 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2015

	Notes	**2015 US$m**	2014 US$m
Profit for the year		**428.3**	360.3
Items that may be reclassified subsequently to profit and loss:			
Net exchange translation difference			
- losses arising during the year		**(126.1)**	(64.7)
Available-for-sale investment			
- gains arising during the year	17	**1.8**	1.6
Other comprehensive expense for the year		**(124.3)**	(63.1)
Total comprehensive income for the year		**304.0**	297.2

The notes on pages 50 to 124 form an integral part of the financial statements.

BALANCE SHEET

As at 31st December 2015

	Notes	**2015 US$m**	2014 US$m
Non-current assets			
Property, plant and equipment	12	**32.9**	35.7
Interests in subsidiaries	15	**1,253.0**	1,339.7
Interests in associates and joint ventures	16	**787.0**	124.1
Non-current investment	17	**10.0**	8.9
		2,082.9	1,508.4
Current assets			
Current debtors	20	**44.8**	50.3
Bank balances and other liquid funds	21	**135.9**	2.6
		180.7	52.9
Total assets		**2,263.6**	1,561.3
Non-current liabilities			
Deferred tax liabilities	25	**5.7**	0.2
		5.7	0.2
Current liabilities			
Current creditors	22	**19.8**	20.2
Current borrowings	24	**-**	49.2
Current tax liabilities		**1.5**	1.6
		21.3	71.0
Total liabilities		**27.0**	71.2
Net assets		**2,236.6**	1,490.1
Equity			
Share capital	27	**1,381.0**	632.6
Revenue reserve	28	**628.2**	505.8
Other reserves	29	**227.4**	351.7
Total equity		**2,236.6**	1,490.1

The notes on pages 50 to 124 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2015

	Notes	Share capital US$m	Revenue reserve US$m	Translation reserve US$m	Fair value reserve US$m	Total equity US$m
2015						
Balance at 1st January		**632.6**	**505.8**	**350.0**	**1.7**	**1,490.1**
Total comprehensive income		**-**	**428.3**	**(126.1)**	**1.8**	**304.0**
Issue of shares	27	**752.3**	**-**	**-**	**-**	**752.3**
Share issue expenses	27	**(3.9)**	**-**	**-**	**-**	**(3.9)**
Dividends paid	8	**-**	**(305.9)**	**-**	**-**	**(305.9)**
Balance at 31st December		**1,381.0**	**628.2**	**223.9**	**3.5**	**2,236.6**
2014						
Balance at 1st January		632.6	525.1	414.7	0.1	1,572.5
Total comprehensive income		-	360.3	(64.7)	1.6	297.2
Dividends paid	8	-	(379.6)	-	-	(379.6)
Balance at 31st December		632.6	505.8	350.0	1.7	1,490.1

The notes on pages 50 to 124 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December 2015

	Notes	2015 US$m	2014 US$m
Cash flows from operating activities			
Cash generated from operations	35	**2,393.0**	1,794.3
Interest paid		**(57.5)**	(62.9)
Interest received		**83.9**	101.9
Other finance costs paid		**(43.7)**	(53.1)
Income taxes paid		**(498.8)**	(540.3)
		(516.1)	(554.4)
Net cash flows from operating activities		**1,876.9**	1,239.9
Cash flows from investing activities			
Sale of leasehold land use rights		**1.5**	0.5
Sale of property, plant and equipment		**15.6**	35.8
Sale of investment properties		**1.1**	-
Sale of subsidiaries	36	**0.7**	0.7
Sale of associate and joint venture		**2.4**	12.1
Sale of investments		**102.2**	98.2
Purchase of intangible assets		**(106.3)**	(155.8)
Purchase of leasehold land use rights		**(24.7)**	(66.6)
Purchase of property, plant and equipment		**(463.7)**	(654.2)
Purchase of investment properties		**(31.8)**	(67.3)
Additions to plantations		**(72.4)**	(82.0)
Purchase of subsidiaries, net of cash acquired	36	**(60.6)**	(26.4)
Purchase of shares in associates and joint ventures		**(727.5)**	(100.0)
Purchase of investments		**(116.0)**	(183.3)
Dividends received from associates and joint ventures (net)		**318.9**	354.0
Net cash flows used in investing activities		**(1,160.6)**	(834.3)
Cash flows from financing activities			
Issue of shares, net of expenses	27	**748.4**	-
Drawdown of loans		**6,285.7**	6,892.3
Repayment of loans		**(6,452.0)**	(6,473.6)
Changes in controlling interests in subsidiaries	36	**(0.4)**	179.6
Investments by non-controlling interests		**1.6**	-
Dividends paid to non-controlling interests		**(465.0)**	(493.1)
Dividends paid by the Company	8	**(305.9)**	(379.6)
Net cash flows used in financing activities		**(187.6)**	(274.4)
Net change in cash and cash equivalents		**528.7**	131.2
Cash and cash equivalents at the beginning of the year		**1,758.1**	1,601.0
Effect of exchange rate changes		**(113.8)**	25.9
Cash and cash equivalents at the end of the year	36	**2,173.0**	1,758.1

The notes on pages 50 to 124 form an integral part of the financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General

The Company is incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The address of its registered office is 239, Alexandra Road, Singapore 159930.

The principal activities of the Group are the manufacture, assembly, distribution and retail of motor vehicles and motorcycles, financial services, heavy equipment and mining, agribusiness, infrastructure, logistics and others, and information technology. The Company acts as an investment holding company and a provider of management services.

On 11th March 2016, the Jardine Cycle & Carriage Limited Board of Directors authorised the financial statements for issue.

2 Significant Accounting Policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of Preparation

The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board. The financial statements have been prepared on a going concern basis under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.32.

The following new amendments which are effective in the accounting period and relevant to the Group's operations were adopted in 2015:

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Improvements to IFRSs	2010 – 2012 Cycle 2011 – 2013 Cycle

The adoption of these amendments does not have any material impact on the Group's accounting policies and disclosures.

Amendments to IAS 19 'Employee Benefits' clarify the accounting for defined benefit plans that require employees or third parties to contribute towards the cost of the benefits. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Annual Improvements to IFRSs 2010 – 2012 Cycle and 2011 – 2013 Cycle comprise a number of amendments to IFRSs. The amendments which are relevant to the Group's operations include the following:

Amendment to IFRS 2 'Share-based Payment' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

Amendment to IFRS 3 'Business Combinations' clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 'Financial Instruments: Presentation'. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss. It also clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11.

Amendment to IFRS 8 'Operating Segments' requires disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

2 Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

Amendment to IAS 24 'Related Party Disclosures' requires the reporting entity to disclose the fees paid for key management personnel services from another entity ('the management entity'). The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors.

Amendment to IFRS 13 'Fair Value Measurement' clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts within the scope of IAS 39 or IFRS 9.

Amendment to IAS 40 'Investment Property' clarifies that IAS 40 and IFRS 3 are not mutually exclusive when distinguishing between investment property and owner-occupied property and determining whether the acquisition of an investment property is a business combination.

The following standards and amendments which are effective after 2015, are relevant to the Group's operations and yet to be adopted:

		Effective for accounting periods beginning on or after
IFRS 9	Financial Instruments	1st January 2018
IFRS 15	Revenue from Contracts with Customers	1st January 2018
IFRS 16	Leases	1st January 2019
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1st January 2016
Amendments to IAS 1	Disclosure Initiative: Presentation of Financial Statements	1st January 2016
Amendments to IAS 7	Disclosure Initiative: Statement of Cash Flows	1st January 2017
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1st January 2017
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1st January 2016
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	1st January 2016
Annual Improvements to IFRSs	2012 – 2014 Cycle	1st January 2016

The Group is currently assessing the potential impact of these new standards and amendments. The Group will adopt these new standards and amendments from their respective effective dates.

A complete set of IFRS 9 'Financial Instruments' has been published which replaces IAS 39 'Financial Instruments: Recognition and Measurement'. This complete version includes revised guidance on the classification and measurement of financial assets and liabilities. It also includes a new expected credit losses model that replaces the incurred loss impairment model used today. A substantially-reformed approach to hedge accounting is also introduced. It also carries forward the recognition and derecognition of financial instruments from IAS 39.

IFRS 15 'Revenue from Contracts with Customers' establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. The core principle in that framework is that a company should recognise revenue to depict the transfer of promised goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in new disclosure requirements on revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. IFRS 15 replaces IAS 11 'Construction Contracts', IAS 18 'Revenue', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for the Construction of Real Estate', IFRIC 18 'Transfers of Assets from Customers' and SIC-31 'Revenue - Barter Transactions Involving Advertising Services'.

2 Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

IFRS 16 'Leases', which replaces IAS 17 'Leases' and related interpretations, requires lessees to bring their leases onto the balance sheet. For lessees, IFRS 16 eliminates the classification of leases as either operating leases or finance leases which is required by IAS 17 and, instead, introduces a single lessee accounting model. The model requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures a right-of-use asset similarly to other non-financial asset and a lease liability similarly to other financial liability. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion. Assets and liabilities arising from a lease are initially measured on a present value basis. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. A lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Amendments to IFRS 11 'Joint Arrangements' introduce new guidance on the accounting for the acquisition of an interest in a joint operation that constitutes a business. Acquirers of such interests shall apply all of the principles on business combinations accounting in IFRS 3 'Business Combinations', and other IFRSs, that do not conflict with the guidance in IFRS 11 and disclose the information that is required in those IFRSs in relation to business combinations.

Amendments to IAS 1 and IAS 7 'Disclosure Initiative' are part of the International Accounting Standards Board's initiatives to improve the effectiveness of disclosure in financial reporting. Amendments to IAS 1 clarify that companies shall apply professional judgments in determining what information to disclose and how to structure it in the financial statements. The amendments include narrow-focus improvements in the guidance on materiality, disaggregation and subtotals, note structure, disclosure of accounting policies and presentation of items of other comprehensive income arising from equity accounted investments.

Amendments to IAS 7 require companies to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Amendments to IAS 12 'Income Taxes" clarify the requirements on the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value.

Amendments to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets' clarify that the use of revenue-based methods to calculate the depreciation or amortisation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments to IAS 38 further clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption however, can be rebutted in certain limited circumstances.

Amendments to IAS 16 'Property, Plant and Equipment' and IAS 41 'Agriculture' provide definition to a bearer plant and require bearer plants to be accounted for in the same way as property, plant and equipment in IAS 16, because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

Annual Improvements to 2012 – 2014 Cycle comprise a number of non-urgent but necessary amendments. None of these amendments is likely to have a significant impact on the consolidated financial statements of the Group.

2 Significant Accounting Policies (continued)

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the Group's interests in associates and joint ventures on the basis set out below.

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of acquisition includes the fair value at the acquisition date of any contingent consideration. The Group recognises the non-controlling interest's proportionate share of the recognised identifiable net assets of the acquired subsidiary. In a business combination achieved in stages, the Group remeasures its previously held interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss in the profit and loss account. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When control over a previous subsidiary is lost, any remaining interest in the entity is remeasured at fair value and the resulting gain or loss is recognised in the profit and loss account.

All material inter-company transactions, balances and unrealised gains and deficits on transactions between Group companies have been eliminated.

An associate is an entity, not being a subsidiary or joint venture, over which the Group exercises significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Associates and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting and are initially recorded at cost. The Group's investment in associates and joint ventures includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Group's share of its post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are included in the carrying amount of the associates and joint ventures. Its share of post-acquisition profit and loss is recognised in the consolidated profit and loss account.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates and joint ventures are recognised in the consolidated financial statements only to the extent of unrelated investor's interests in the associates and joint ventures.

The results of subsidiaries, associates and joint ventures are included or excluded from the consolidated financial statements from the effective dates of acquisition or disposal, respectively. The results of entities other than subsidiaries, associates and joint ventures are included to the extent of dividends received when the right to receive such dividend is established.

Non-controlling interests represent the proportion of the results and net assets of subsidiaries and their associates and joint ventures not attributable to the Group.

2 Significant Accounting Policies (continued)

2.3 Property, Plant and Equipment

Freehold land and buildings, and the building component of owner-occupied leasehold properties are stated at cost less any accumulated depreciation and impairment loss. The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Mining properties, which are contractual rights to mine and own coal reserves in specified concession areas, and other assets are stated at historical cost or at fair value if acquired as part of a business combination, less accumulated depreciation and impairment loss. Cost of mining properties includes expenditure to restore and rehabilitate coal mining areas following the completion of production.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial year in which they are incurred.

Freehold land is not depreciated. Mining properties are depreciated using the unit of production method. Depreciation of all other assets is calculated using the straight line method to allocate the cost of each asset to their residual values over their estimated useful lives at the following annual rates:

Building and leasehold improvements	$3^1/_3$% - 50%
Plant and machinery	5% - 50%
Office furniture, fixtures and equipment	10% - 50%
Transportation equipment and motor vehicles	4% - 50%

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at each balance sheet date and adjusted, if appropriate.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

2.4 Plantations

Plantations, which principally comprise oil palm plantations and exclude the related land, are measured at each balance sheet date at their fair values, representing the present value of expected net cash flows from the assets in their present location and condition determined internally, less estimated point of sale costs, based on a discounted cash flow method using unobservable inputs. Changes in fair values are recorded in the profit and loss account. The plantations which have a life of approximately 25 years are considered mature three to four years after planting and once they are generating fresh fruit bunches which average four to six tonnes per hectare per year.

2.5 Investment Properties

Investment properties are properties, including those held under operating leases, held for long-term rental yields or capital gains, but their business model does not necessarily envisage that the properties will be held for their entire useful life. Investment properties are stated at fair value, representing estimated open market value determined annually by independent qualified valuers who have recent experience in the location and category of the investment property being valued. Changes in fair values are recorded in the profit and loss account. Investment properties under development are measured at cost until its fair value becomes reliably measurable or construction is completed (whichever is earlier).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2015

2 Significant Accounting Policies (continued)

2.6 Intangible Assets

i) Goodwill

Goodwill represents the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the acquisition-date fair value of any previously held equity interest in the acquiree over the acquisition-date fair value of the net identifiable assets acquired. Non-controlling interests are measured at their proportionate share of the net identifiable assets at the acquisition date. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the profit and loss account. Goodwill on acquisition of associates and joint ventures is included in interests in associates and joint ventures while goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of subsidiaries is tested annually for impairment and carried at cost less accumulated impairment loss. Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing.

The profit or loss on disposal of subsidiaries, associates and joint ventures is stated after deducting the carrying amount of goodwill relating to the entity sold.

ii) Franchise rights

Franchise rights, which are rights under franchise agreements, are separately identified intangible assets acquired as part of a business combination. These franchise agreements are deemed to have indefinite lives because either they do not have any term of expiry or their renewal by the Group would be probable and would not involve significant costs, taking into account the history of renewal and the relationships between the franchisee and contracting parties. Franchise rights are not amortised, but are tested annually for impairment and carried at cost less accumulated impairment loss.

iii) Concession rights

Concession rights are operating rights for toll roads under service concession agreements. The cost of the construction services is amortised based on traffic volume projections over the period of the concession.

iv) Customer acquisition costs

Commissions that are related to securing new insurance contracts and renewing existing insurance contracts with a term of more than one year are capitalised. All other costs are recognised as expenses when incurred. The customer acquisition costs are subsequently amortised over the lives of the contracts that range from 1 to 4 years.

v) Deferred exploration costs

Exploration costs are capitalised when the rights of tenure of a coal mining area are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area. Deferred exploration costs are amortised using the unit of production method, and are assessed for impairment if facts and circumstances indicate that an impairment may exist.

vi) Computer software

Computer software is stated at cost less accumulated amortisation and impairment loss. These costs are amortised using the straight line method over their estimated useful lives of 1-9 years.

2.7 Leasehold Land Use Rights

Leasehold land use rights are payments to acquire long-term interests in owner-occupied property. Leasehold land use rights acquired by way of a business combination are measured at their fair values at the acquisition date. For subsequent measurement, leasehold land use rights are amortised over the useful lives of the leases which include the renewal period if the leases can be renewed without significant cost. The estimated useful lives range from 1 to 94 years.

2 Significant Accounting Policies (continued)

2.8 Impairment of Non-financial Assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment annually.

2.9 Financial Assets

Financial assets are initially recognised at fair value plus transaction costs. Subsequent measurement of financial assets depends on the classification of the financial assets.

The Group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets and held-to-maturity financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at amortised cost using the effective interest method, less impairment allowance. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as "debtors" in the balance sheet.

ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories. They are stated at fair values and are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Unrealised gains and losses arising from changes in the fair value of these investments are recognised in other comprehensive income and accumulated under equity in the fair value reserve. On disposal of investments or when an investment is determined to be impaired, the cumulative gains and losses previously deferred in equity is recognised in the profit and loss account.

iii) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are carried at amortised cost using the effective interest method.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investment.

The fair values of quoted financial assets are based on current market prices. If the market for a financial asset is not active (and for unquoted securities), the Group establishes fair values by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, or discounted cash flow analysis.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit and loss account) is removed from the fair value reserve within equity and recognised in the profit and loss account. Impairment testing of debtors is described in Note 2.12.

2 Significant Accounting Policies (continued)

2.10 Investments in Subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and joint ventures are stated in the financial statements of the Company at cost. When an indication of impairment exists, the carrying amount of the investment is written down immediately to its recoverable amount. The write-down is charged to the profit and loss account.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is generally determined using the first-in, first-out method, specific identification method and weighted average method. The cost of finished goods and work in progress comprises goods held for resale, raw materials, labour and an appropriate portion of overheads. The net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

2.12 Debtors

Debtors, excluding derivative financial instruments, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, except where the effect of discounting would be immaterial, less allowance for impairment. Repossessed assets of financial services companies, which represent collateral obtained from customers towards settlement of receivables that are in default, are measured at the lower of cost of the carrying amount of the debtors in default and fair value less costs to sell. The financial services company is given the right by the customers to sell the repossessed collateral. Any excess of proceeds from the sale over the outstanding receivables is refunded to the customer.

An allowance for impairment of debtors is established when there is objective evidence that the outstanding amounts will not be collected. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the debtors are impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in the profit and loss account. Bad debts are written off as soon as it is established that these are irrecoverable. Debtors with maturities greater than 12 months after the balance sheet date are classified under non-current assets.

2.13 Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise deposits with banks and financial institutions, bank and cash balances, net of bank overdrafts. In the balance sheet, bank overdrafts are included under current borrowings.

2.14 Borrowings

Borrowings are initially stated at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the balance sheet date. Borrowing costs that are not used in financing the acquisition or construction of qualifying assets, are recognised as an expense in the period in which they are incurred.

2.15 Provisions

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is more likely than not that an outflow of economic resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligation can be made.

i) Warranty and goodwill expenses

The Group recognises the estimated liability that falls due under the warranty terms offered on sale of new and used vehicles beyond that which is reimbursed by the manufacturer. The provision is calculated based on the past history of repairs.

ii) Closure costs

The Group recognises a provision for closure costs when legal or constructive obligations arise on closure or disposal of businesses.

2 Significant Accounting Policies (continued)

2.16 Creditors

Creditors, excluding derivative financial instruments, are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. Creditors are classified under non-current liabilities unless their maturities are within 12 months after the balance sheet date.

2.17 Employee Benefits

i) Pension obligations

The Group operates a number of defined benefit and defined contribution plans.

Pension accounting costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the costs of providing pensions are charged to the profit and loss account spreading the regular cost over the service lives of employees in accordance with the advice of qualified actuaries, who carry out a full valuation of major plans every year. The pension obligations are measured as the present value of the estimated future cash outflows by reference to market yields on government bonds which have terms to maturity approximating the terms of the related liability. Plan assets are measured at fair value. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, and are recognised in other comprehensive income and accumulated under equity in the revenue reserve. Past service costs are recognised immediately in the profit and loss account.

The Group pays fixed contributions into separate entities for defined contribution plans and has no legal or constructive obligations once the contributions are paid. The Group's contributions to the defined contribution plans are charged to the consolidated profit and loss account in the period to which the contributions relate.

ii) Share-based compensation

The fair value of the employee services received in exchange for the grant of the options in respect of shares in the Company or in its subsidiaries is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options on the grant date, excluding the impact of non-market vesting conditions. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to share option reserve over the remaining vesting period.

The proceeds received net of any transaction costs are credited to share capital when the options are exercised.

iii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2015

2 Significant Accounting Policies (continued)

2.18 Foreign Currencies

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 ("the functional currency"). The functional currency of the Company is the Singapore Dollar. The financial statements of the Group and the Company are presented in United States Dollars to serve the needs of the readers of the Group's and the Company's financial statements who are spread globally and reflects the international nature of the Group.

Foreign currency transactions of each entity in the Group are translated into its functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into the functional currency at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss account, except when recognised in other comprehensive income and accumulated under equity in the hedging reserve as qualifying cash flow hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognised in the profit and loss account, and other changes in carrying amount are recognised in other comprehensive income and accumulated under equity in the fair value reserve. Translation differences on non-monetary financial assets and liabilities are recognised in other comprehensive income and accumulated under equity in the fair value reserve.

For the purpose of consolidation, the balance sheets of foreign entities are translated into the Group's presentation currency in United States Dollars at the rates of exchange prevailing at the balance sheet date and the results of foreign entities are translated into United States Dollars at the average exchange rates for the financial year. The resulting exchange differences are recognised in other comprehensive income and accumulated in equity under the translation reserve. On disposal, these translation differences are recognised in the profit and loss account as part of the gain or loss on sale. None of the Group's entities has the currency of a hyperinflationary economy.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate of exchange prevailing at the balance sheet date. For the purpose of presenting the financial statements of the Company in United States Dollars, assets and liabilities of the Company are translated at the rates of exchange prevailing at the balance sheet date, the results of the Company are translated at the average exchange rates for the financial year and share capital and reserves are translated at the exchange rates prevailing at the dates of the transactions. The resulting exchange differences are taken to the Company's translation reserve.

The exchange rates used for translating assets and liabilities at the balance sheet date are US$1=S$1.4144 (2014: US$1=S$1.3205), US$1=RM4.2945 (2014: US$1=RM3.4928), US$1=IDR13,795 (2014: US$1=IDR12,440), US$1=VND22,495 (2014: US$1=VND21,388) and US$1=THB36.1000.

The exchange rates used for translating the results for the year are US$1=S$1.3784 (2014: US$1=S$1.2695), US$1=RM3.9380 (2014: US$1=RM3.2792), US$1=IDR13,458 (2014: US$1= IDR11,885), US$1=VND21,959 (2014: US$1=VND21,217) and US$1=THB34.4138.

2 Significant Accounting Policies (continued)

2.19 Revenue Recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

i) Revenue from the sale of goods is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers.

ii) Receipts under operating leases are accounted for on an accrual basis over the lease terms.

iii) Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

iv) Revenue from consumer financing and finance leases is recognised over the term of the respective contracts based on a constant rate of return on the net investment.

v) Interest income is recognised on a time proportion basis taking into account the principal amounts outstanding and the interest rates applicable.

vi) Dividend income is recognised when the right to receive payment is established.

2.20 Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying values. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Provision for deferred tax is made on the revaluation of certain non-current assets and, in relation to business acquisitions, on the difference between the fair values of the net assets acquired and their tax bases. Deferred tax is provided on temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 Significant Accounting Policies (continued)

2.21 Leases

i) Finance leases - Group is the lessee

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term borrowings, except for those with maturities of less than 12 months which are included in current borrowings. The interest element of the finance cost is charged to the profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful lives of the assets or the lease term.

ii) Operating leases - Group is the lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

iii) Finance leases - Group is the lessor

When 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. Revenue from finance leases is recognised over the term of the respective contracts based on a constant periodic rate of return on the net investment.

iv) Operating leases - Group is the lessor

The Group leases out certain property, plant and equipment and investment properties. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

2.22 Non-current Assets held for Sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Once classified as held for sale, the assets are no longer amortised or depreciated.

2.23 Insurance Contracts

Insurance contracts are those contracts that transfer significant insurance risk. Premiums are recognised as revenue (earned premiums) proportionately over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability.

Claims and loss adjustment expenses are charged to profit and loss account as incurred based on the estimated liabilities for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the balance sheet date even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analysis for the claims incurred but not reported.

2.24 Financial Guarantee Contracts

Financial guarantee contracts under which the Group accepts significant risk from a third party by agreeing to compensate that party on the occurrence of a specified uncertain future event are accounted for in a manner similar to insurance contracts. Provisions are recognised when it is probable that the guarantee will be called upon and an outflow of resources embodying economic benefits will be required to settle the obligations.

2 **Significant Accounting Policies (continued)**

2.25 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.26 Non-trading Items

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of plantations and investment properties; gains and losses arising from sale of businesses, investments and properties; impairment of non-depreciable intangible assets and other investments; provisions for closure of businesses; acquisition-related costs in business combinations and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into the Group's underlying business performance.

2.27 Derivative Financial Instruments

The Group only enters into derivative financial instruments in order to hedge underlying exposures. Derivative financial instruments are initially recognised in the balance sheet at fair value on the date a derivative contract is entered into and subsequently remeasured at their fair values. The method of recognising the resulting gain or loss is dependent 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 either a hedge of the fair value of a recognised asset or liability (fair value hedge), a hedge of a forecasted transaction or of the foreign currency risk on a firm commitment (cash flow hedge) or a hedge of a net investment in a foreign entity (net investment hedge).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that are highly effective, are recorded in the profit and loss account, along with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The gain or loss relating to the ineffective portion is recognised in the profit and loss account. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria of hedge accounting, the cumulative adjustment to the carrying amount of a hedged item, for which the effective interest method is used, is amortised to the profit and loss account over the residual period to maturity.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that are highly effective, are recognised in other comprehensive income and accumulated in equity under the hedging reserve. Changes in the fair value relating to the ineffective portion are recognised immediately in the profit and loss account. Where the forecasted transaction or firm commitment results in the recognition of a non-financial asset or of a non-financial liability, the gains and losses previously deferred in equity are transferred from hedging reserve and included in the initial measurement of the cost of the asset or liability. Otherwise, amounts deferred in equity are transferred to the profit and loss account and classified as income or expense in the same period during which the hedged firm commitment or forecasted transaction affects the profit and loss account. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in hedging reserve at that time remains in equity and is recognised when the committed or forecasted transaction ultimately is recognised in the profit and loss account. When a committed or forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserve is immediately transferred to the profit and loss account.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IAS 39. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised immediately in the profit and loss account.

Hedges of net investments in foreign entities are accounted for on a similar basis to that used for cash flow hedges. Changes in the fair value of the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in equity under the translation reserve; changes in the fair value relating to the ineffective portion is recognised immediately in the profit and loss account.

The fair value of derivative financial instruments is classified as a non-current asset or liability if the remaining maturities of the derivative financial instruments are greater than 12 months.

2.28 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board who is responsible for allocating resources and assessing performance of the operating segments.

2 **Significant Accounting Policies (continued)**

2.29 Dividends

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

2.30 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.31 Financial Risk Management

i) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group co-ordinates, under the directions of the directors, financial risk management policies and their implementation on a group-wide basis. The Group's treasury policies are designed to manage the financial impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. The Group uses derivative financial instruments, principally interest rate swaps, caps and collars, cross-currency swaps, forward foreign exchange contracts and forward currency options as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies. Financial derivative contracts are executed between third party banks and the Group entity that is directly exposed to the risk being hedged. 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 31st December 2015 are disclosed in Note 33.

a) Market risk

Foreign exchange risk

Entities within the Group are exposed to foreign exchange risk from future commercial transactions, net investments in foreign operations and net monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency.

Entities in the Group use cross-currency swaps, forward foreign exchange contracts and foreign currency options in a consistent manner to hedge firm and anticipated foreign exchange commitments and manage their foreign exchange risk arising from future commercial transactions. The Group does not usually hedge its net investments in foreign operations except in circumstances where there is a material exposure arising from a currency that is anticipated to be volatile and the hedging is cost effective. Group entities are required to manage their foreign exchange risk against their functional currency. Foreign currency borrowings are swapped into the entity's functional currency using cross-currency swaps except where the foreign currency borrowings are repaid with cash flows generated in the same foreign currency. The purpose of these hedges is to mitigate the impact of movements in foreign exchange rates on assets and liabilities and the profit and loss account of the Group.

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. At 31st December 2015, the Group's Indonesian Rupiah functional currency entities had United States Dollar denominated net monetary assets of US$276.1 million (2014: US$175.3 million). At 31st December 2015, if the United States Dollar had strengthened/weakened by 10% against the Indonesian Rupiah with all other variables held constant, the profit attributable to shareholders of the Company would have been US$4.4 million higher/lower (2014: US$2.9 million), arising mainly from foreign exchange gains/losses taken to the profit and loss account on translation. The sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date. The stated change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. There are no other significant monetary balances held by Group entities at 31st December 2015 that are denominated in a non-functional currency other than the cross currency swap contracts with contract amounts of US$2,174.1 million (2014: US$2,376.2 million). Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

Since the Group manages the interdependencies between foreign exchange risk and interest rate risk of foreign currency borrowings using cross-currency swaps, the sensitivity analysis on financial impacts arising from cross-currency swaps is included in the sensitivity assessment on interest rates under the interest rate risk section.

2 Significant Accounting Policies (continued)

2.31 Financial Risk Management (continued)

i) Financial risk factors (continued)

a) Market risk (continued)

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of interest rate swaps, caps and collars. The Group monitors interest rate exposure on a monthly basis by currency and business unit, taking into consideration proposed financing and hedging arrangements. The Group's guideline is to maintain 40% - 60% of its gross borrowings, exclusive of the financial services companies, in fixed rate instruments. The financial services companies borrow predominantly at a fixed rate. The interest rate profile of the Group's borrowings after taking into account hedging transactions are set out in Note 24.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages this risk by using forward rate agreements to a maturity of one year, and by entering into interest rate swaps, caps and collars for a maturity of up to five years. Forward rate agreements and interest rate swaps have the economic effect of converting borrowings from floating rate to fixed rate, caps provide protection against a rise in floating rates above a pre-determined rate, and collars combine the purchase of a cap and the sale of a floor to specify a range in which an interest rate will fluctuate.

Fair value interest rate risk is the risk that the value of a financial asset or liability and derivative financial instrument will fluctuate because of changes in market interest rates. The Group may manage its fair value interest rate risk by entering into interest rate swaps which have the economic effect of converting borrowings from fixed rate to floating rate, to maintain the Group's fixed rate instruments within the Group's guideline.

At 31st December 2015, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's profit after tax would have been US$13.1 million (2014: US$10.5 million) higher/lower and the hedging reserve would have been US$21.3 million (2014: US$29.6 million) higher/lower as a result of fair value changes to cash flow hedges. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. There is no significant variation in the sensitivity analysis as a result of interest rate caps and collars. The 100 basis point increase or decrease represents management's assessment of a reasonable possible change in those interest rates, specifically the Indonesian rates, which have the most impact on the Group over the period until the next annual balance sheet date. In the case of effective fair value hedges, changes in fair value of the hedged items caused by interest rate movements balance out in the profit and loss account against changes in the fair value of the hedging instruments. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of profit after tax sensitivities. Changes in market interest rates of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserves and are therefore taken into consideration in the equity-related sensitivity calculations.

Price risk

The Group is exposed to securities price risk because of quoted and unquoted investments which are available-for-sale and held by the Group at fair value. Gains and losses arising from changes in the fair value of these investments are recognised in other comprehensive income and accumulated under equity in the fair value reserve. The performance of the Group's quoted and unquoted available-for-sale investments are monitored regularly, together with a regular assessment of their relevance to the Group's long-term strategic plans. Details of the Group's available-for-sale investments are contained in Note 17.

Price risk (continued)

Available-for-sale investments are unhedged. At 31st December 2015, if the price of quoted and unquoted available-for-sale investments had been 30% higher/lower with all other variables held constant, total equity would have been US$117.8 million (2014: US$159.9 million) higher/lower. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

The Group is exposed to financial risks arising from changes in commodity prices, primarily crude palm oil and coal. The Group considers the outlook for crude palm oil and coal regularly in considering the need for active financial risk management. The Group's policy is generally not to hedge commodity price risk, although limited hedging may be undertaken for strategic reasons. To mitigate or hedge the price risk, Group companies may enter into a forward contract to buy the commodity at a fixed price at a future date, or a forward contract to sell the commodity at a fixed price at a future date.

b) Credit risk

The Group's credit risk is primarily attributable to deposits with banks, credit exposures to customers and derivative financial instruments with a positive fair value. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group manages its deposits with banks and financial institutions and transactions involving derivative financial instruments by monitoring credit ratings and capital adequacy ratios of counterparties, limiting the aggregate risk to any individual counterparty. The utilisation of credit limits is regularly monitored. At 31st December 2015, deposits with banks and financial institutions amounted to US$2,169.1 million (2014: US$1,764.9 million) of which 14 % (2014: 13%) were made to financial institutions with credit ratings of no less than A– (Fitch). This is because in Indonesia, it may be necessary to deposit money with banks that have a lower credit rating. However, the Group only enters into derivative transactions with counterparties which have credit ratings of at least investment grade. Management does not expect any counterparty to fail to meet its obligations.

In respect of credit exposures to customers, the Group has policies in place to ensure that sales on credit without collateral are made principally to corporate companies with an appropriate credit history and credit insurance is purchased for businesses where it is economically effective. The Group normally obtains collateral over motor vehicles and motorcycles from consumer financing debtors towards settlement of receivables. Customers give the right to the Group to sell the repossessed collateral or take any other action to settle the outstanding receivable. Sales to other customers are made in cash or by major credit cards.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance. The Group's exposure to credit risk arising from consumer financing and trade debtors, and derivative financial instruments with a positive fair value are set out in Note 20. The Group's exposure to credit risk arising from deposits and balances with banks and financial institutions is set out in Note 21.

2 **Significant Accounting Policies (continued)**

2.31 Financial Risk Management (continued)

i) Financial risk factors (continued)

c) Liquidity risk

Prudent liquidity risk management includes managing the profile of debt maturities and funding sources, maintaining sufficient cash and marketable securities, and ensuring the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group's ability to fund its existing and prospective debt requirements is managed by maintaining diversified funding sources with adequate committed funding lines of evenly spread debt maturities from high quality lenders, and by monitoring rolling short-term forecasts of the Group's cash and gross debt on the basis of expected cash flows. In addition, long-term cash flows are projected to assist with the Group's long-term debt financing plans.

At 31st December 2015, total available committed and uncommitted borrowing facilities amounted to US$8,521.5 million (2014: US$9,263.6 million) of which US$5,151.9 million (2014: US$5,697.1 million) was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities, totalled US$1,876.4 million (2014: US$1,971.0 million).

The following table analyses the Group's non-derivative financial liabilities, derivative financial liabilities and estimated losses on insurance contracts into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within one year US$m	Between one and two years US$m	Between two and three years US$m	Between three and four years US$m	Between four and five years US$m	Beyond five years US$m	Total US$m
2015							
Borrowings	**2,935.9**	**1,493.4**	**1,093.5**	**69.8**	**1.0**	**-**	**5,593.6**
Finance lease liabilities	**32.7**	**64.2**	**6.3**	**0.6**	**0.1**	**-**	**103.9**
Creditors	**2,265.7**	**3.3**	**0.8**	**1.6**	**1.8**	**19.6**	**2,292.8**
Net settled derivative financial instruments	**0.1**	**-**	**-**	**-**	**-**	**-**	**0.1**
Gross settled derivative							
financial instruments							
- inflow	**1,333.6**	**634.2**	**441.9**	**67.3**	**-**	**-**	**2,477.0**
- outflow	**1,332.3**	**630.7**	**434.9**	**67.1**	**-**	**-**	**2,465.0**
Estimated losses on insurance contracts	**142.3**	**-**	**-**	**-**	**-**	**-**	**142.3**
2014							
Borrowings	3,255.5	1,624.2	1,132.9	74.4	-	-	6,087.0
Finance lease liabilities	38.2	28.1	17.1	4.1	0.4	-	87.9
Creditors	2,337.8	3.4	2.5	4.5	6.0	50.5	2,404.7
Net settled derivative financial instruments	0.9	-	-	-	-	-	0.9
Gross settled derivative financial instruments							
- inflow	1,491.9	759.2	413.9	25.9	-	-	2,690.9
- outflow	1,496.1	762.5	416.0	25.9	-	-	2,700.5
Estimated losses on insurance contracts	136.2	-	-	-	-	-	136.2

2 **Significant Accounting Policies (continued)**

2.31 Financial Risk Management (continued)

ii) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while seeking to maximise benefits to shareholders and other stakeholders. Capital is total equity as shown in the consolidated balance sheet plus net debt.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditure and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, purchase Group shares, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less bank balances and other liquid funds. Interest cover is calculated as underlying operating profit and share of results of associates and joint ventures divided by net financing charges. The relevant ratios are 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 Group does not have a defined gearing or interest cover benchmark or range.

The financing activities of Astra are subject to a minimum paid-up capital requirement of Rp1,300 billion (2014: Rp1,300 billion), in aggregate. The insurance activities of Astra are subject to a minimum solvency ratio of 120% calculated in accordance with requirements set out by the Ministry of Finance in Indonesia, and a minimum paid-up capital requirement of Rp100 billion (2014: Rp100 billion), in aggregate. The Group had complied with all externally imposed capital requirements throughout the reporting period.

The gearing ratios at 31st December 2015 and 2014 were as follows:

	Group	
	2015	2014
Gearing ratio excluding financial services companies	**-**	2%
Gearing ratio including financial services companies	**27%**	36%
Interest cover excluding financial services companies	**29 times**	44 times

The improvement in gearing ratio excluding financial services companies as at 31st December 2015 as compared to 2014, was primarily due to surplus proceeds from the Company's rights issue after debt repayment, alongside improved operating cash flows from Astra.

iii) Fair value estimation

a) Financial instruments that are measured at fair value

For financial instruments that are measured at fair value in the balance sheet, the corresponding fair value measurements are disclosed by level of the following fair value measurement hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities ("quoted prices in active markets")

The fair value of quoted securities, which are classified as available-for-sale, is based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.

Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly ("observable current market transactions")

The fair value of derivative financial instruments is determined using rates quoted by the Group's bankers at the balance sheet date. The rates for interest rate swaps and caps, cross-currency swaps and forward foreign exchange contracts are calculated by reference to the market interest rates and foreign exchange rates.

2 Significant Accounting Policies (continued)

2.31 Financial Risk Management (continued)

iii) Fair value estimation (continued)

a) Financial instruments that are measured at fair value (continued)

Inputs for the asset or liability that are not based on observable market data ("unobservable inputs")

The fair value of unlisted securities, which are classified as available-for-sale, is determined using valuation techniques by reference to observable current market transactions or the market prices of the underlying investments with certain degree of entity-specific estimates. There were no changes in valuation techniques during the year.

The table below analyses financial instruments carried at fair value, by the levels in the fair value measurement hierarchy.

	Quoted prices in active markets US$m	Observable current market transactions US$m	Unobservable inputs US$m	Total US$m
2015				
Assets				
Available-for-sale financial assets				
- listed securities	**391.7**	**-**	**-**	**391.7**
- unlisted investments	**-**	**-**	**37.4**	**37.4**
	391.7	**-**	**37.4**	**429.1**
Derivatives designated at fair value				
- through other comprehensive income	**-**	**268.3**	**-**	**268.3**
	391.7	**268.3**	**37.4**	**697.4**
Liabilities				
Contingent consideration payable	**-**	**-**	**(27.1)**	**(27.1)**
Derivatives designated at fair value				
- through other comprehensive income	**-**	**(48.2)**	**-**	**(48.2)**
- through profit and loss	**-**	**-**	**-**	**-**
	-	**(48.2)**	**-**	**(48.2)**
	-	**(48.2)**	**(27.1)**	**(75.3)**
2014				
Assets				
Available-for-sale financial assets				
- listed securities	501.3	-	-	501.3
- unlisted investments	-	-	41.5	41.5
	501.3	-	41.5	542.8
Derivatives designated at fair value				
- through other comprehensive income	-	159.7	-	159.7
	501.3	159.7	41.5	702.5
Liabilities				
Contingent consideration payable	-	-	(66.9)	(66.9)
Derivatives designated at fair value				
- through other comprehensive income	-	(11.6)	-	(11.6)
- through profit and loss	-	(0.1)	-	(0.1)
	-	(11.7)	-	(11.7)
	-	(11.7)	(66.9)	(78.6)

2 Significant Accounting Policies (continued)

2.31 Financial Risk Management (continued)

iii) Fair value estimation (continued)

b) Financial instruments that are not measured at fair value

The fair values of current debtors, bank balances and other liquid funds, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings disclosed are based on market prices or are estimated using the expected future payments discounted at market interest rates.

The table below analyses financial instruments by category.

	Loans and receivables US$m	Derivatives used for hedging US$m	Available-for-sale US$m	Other financial instruments at amortised cost US$m	Other financial instruments fair value through profit and loss US$m	Total carrying amount US$m	Fair value US$m
2015							
Assets							
Investments	**-**	**-**	**429.1**	**6.9**	**-**	**436.0**	**436.0**
Debtors excluding prepayments, rental and other deposits	**6,058.2**	**268.3**	**-**	**-**	**-**	**6,326.5**	**6,262.5**
Bank balances and other liquid funds	**2,175.1**	**-**	**-**	**-**	**-**	**2,175.1**	**2,175.1**
	8,233.3	**268.3**	**429.1**	**6.9**	**-**	**8,937.6**	**8,873.6**
Liabilities							
Borrowings excluding finance lease liabilities	**-**	**-**	**-**	**(5,055.8)**	**-**	**(5,055.8)**	**(5,057.7)**
Finance lease liabilities	**-**	**-**	**-**	**(96.2)**	**-**	**(96.2)**	**(96.2)**
Creditors excluding non-financial liabilities	**-**	**(48.2)**	**-**	**(2,265.7)**	**(27.1)**	**(2,341.0)**	**(2,341.0)**
	-	**(48.2)**	**-**	**(7,417.7)**	**(27.1)**	**(7,493.0)**	**(7,494.9)**
2014							
Assets							
Investments	-	-	542.8	-	-	542.8	542.8
Debtors excluding prepayments, rental and other deposits	6,963.7	159.7	-	-	-	7,123.4	7,053.0
Bank balances and other liquid funds	1,772.0	-	-	-	-	1,772.0	1,772.0
	8,735.7	159.7	542.8	-	-	9,438.2	9,367.8
Liabilities							
Borrowings excluding finance lease liabilities	-	-	-	(5,612.7)	-	(5,612.7)	(5,608.7)
Finance lease liabilities	-	-	-	(84.4)	-	(84.4)	(84.4)
Creditors excluding non-financial liabilities	-	(11.7)	-	(2,337.8)	(66.9)	(2,416.4)	(2,416.4)
	-	(11.7)	-	(8,034.9)	(66.9)	(8,113.5)	(8,109.5)

2 Significant Accounting Policies (continued)

2.32 Critical Accounting Estimates and Judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

i) Acquisition of subsidiaries, associates and joint ventures

The initial accounting on the acquisition of subsidiaries, associates and joint ventures involves identifying and determining the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities of the acquired entities. The fair values of franchise rights, leasehold land use rights, concession rights, property, plant and equipment and investment properties are determined by independent, professionally qualified valuers by reference to comparable market prices or present value of expected net cash flows from the assets. Any changes in the assumptions used and estimates made in determining the fair values, and management's ability to measure reliably the contingent liabilities of the acquired entity will impact the carrying amount of these assets and liabilities.

On initial acquisition or acquisition of further interests in an entity, an assessment of the level of control or influence exercised by the Group is required. For entities where the Group has a shareholding of less than 50%, an assessment of the Group's level of voting rights, board representation and other indicators of influence is performed to consider whether the Group has de facto control, requiring consolidation of that entity, or significant influence, requiring classification as an associate.

ii) Property, plant and equipment

Management determines the estimated useful lives and related depreciation charges for the Group's mining properties and other property, plant and equipment. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

iii) Plantations

The fair values of plantations are determined by management based on the expected cash flows from the plantations.

Management applies judgement in determining the assumptions to be used; the significant ones include a historical average crude palm oil price as the basis for deriving the price of fresh fruit bunches, maintenance costs, inflation, the yield per hectare based on industry standards and historical experience and the discount rate.

iv) Impairment of assets

The Group tests annually whether goodwill and other non-financial assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of fair value less costs to sell or value-in-use calculations prepared on the basis of management's assumptions and estimates. Changing the key assumptions, including the amount of estimated coal reserves, discount rates or growth rates in the cash flow projections, could materially affect the value-in-use calculations.

The results of the impairment review undertaken at 31st December 2015 on the Group's indefinite life franchise rights indicated that no impairment charge was necessary. If there is a significant increase in the discount rate and/or a significant adverse change to the projected performance of the business to which these rights attach, it may be necessary to take an impairment charge to the profit and loss account in the future.

In determining when an available-for-sale equity investment is impaired, significant judgement is required. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

2 Significant Accounting Policies (continued)

2.32 Critical Accounting Estimates and Judgements (continued)

v) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes, particularly in Indonesia. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit 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 recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax follows the way management expects to recover or settle the carrying amount of the related assets or liabilities, which management may expect to recover through use, sale or combination of both. Accordingly, deferred tax will be calculated at income tax rate, capital gains tax rate or combination of both. There is a rebuttable presumption in IFRS that investment properties measured at fair value are recovered by sale. Thus, deferred tax on revaluation of investment properties held by the Group are calculated at the capital gains tax rate.

Recognition of deferred tax assets, which principally relate to tax losses, depends on management's expectation of future taxable profit that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

vi) Pension obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liabilities.

Other key assumptions for pension obligations are based in part on current market conditions.

vii) Non-trading items

The Group uses underlying business performance in its internal financial reporting to distinguish between the underlying profits and non-trading items. The identification of non-trading items requires judgement by management, but follows the consistent methodology as set out in the Group's accounting policies.

3 Revenue

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Sale of goods	**11,335.3**	13,673.2	**-**	-
Rendering of services	**3,334.6**	3,937.1	**2.0**	2.2
Financial services	**1,021.3**	1,045.9	**-**	-
Dividends	**-**	-	**408.1**	415.1
Others	**27.1**	19.2	**-**	-
	15,718.3	18,675.4	**410.1**	417.3

4 Net Operating Costs

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Cost of sales and services rendered	**(12,767.3)**	(15,216.1)	**-**	-
Other operating income	**342.9**	343.5	**74.8**	0.6
Selling and distribution expenses	**(788.4)**	(830.4)	**-**	-
Administrative expenses	**(846.1)**	(907.8)	**(20.7)**	(19.6)
Other operating expenses	**(493.9)**	(286.6)	**-**	-
	(14,552.8)	(16,897.4)	**54.1**	(19.0)

The following credits/(charges) are included in net operating costs:				
Depreciation of property, plant and equipment (Note 12)	**(520.7)**	(582.7)	**(0.8)**	(0.8)
Amortisation of:				
- intangible assets (Note 10)	**(64.8)**	(64.1)	**-**	-
- leasehold land use rights (Note 11)	**(31.1)**	(30.6)	**-**	-
Profit/(loss) on disposal of:				
- leasehold land use rights	**1.1**	0.5	**-**	-
- property, plant and equipment	**8.6**	22.7	**0.1**	0.1
- investment properties	**0.1**	-	**-**	-
- plantations	**(3.1)**	(4.3)	**-**	-
- shares in associates and joint ventures	**-**	2.2	**-**	-
- investments	**6.2**	19.7	**-**	-
Loss on disposal/write-down of repossessed assets	**(66.9)**	(52.1)	**-**	
(Impairment)/write-back in impairment of:				
- intangible assets (Note 10)	**(16.1)**	-	**-**	-
- property, plant and equipment (Note 12)	**(371.2)**	(230.9)	**-**	-
- associate	**-**	-	**64.1**	-
- financing debtors (Note 19)	**(91.6)**	(105.7)	**-**	-
- trade debtors (Note 20)	**(14.1)**	(22.2)	**-**	-
- other debtors (Note 20)	**(0.2)**	(0.7)	**-**	-
Fair value gain/(loss) on:				
- plantations (Note 14)	**(28.4)**	(34.1)	**-**	-
- investment properties (Note 13)	**33.6**	35.6	**-**	-
- derivatives not qualifying as hedges	**0.1**	0.1	**-**	-
Stocks:				
- cost of stocks recognised as an expense (included in cost of sales and services rendered)	**(10,343.2)**	(12,654.3)	**-**	-
- write-down of stocks	**(32.9)**	(38.8)	**-**	-
- reversal of write-down of stocks made in previous years	**13.0**	18.3	**-**	-
Provision for:				
- warranty and goodwill expenses (Note 23)	**(9.8)**	(9.2)	**-**	-
- others (Note 23)	**(19.9)**	(15.3)	**-**	-
Operating expenses arising from investment properties	**(0.8)**	(0.7)	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2015

4 Net Operating Costs (continued)

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Auditors' remuneration for:				
- audit services	**(5.6)**	(5.8)	**(1.0)**	(1.0)
- non-audit services	**(0.8)**	(1.3)	**(0.1)**	(0.1)
Net exchange gain/(loss)	**(3.2)**	(9.8)	**10.3**	0.2
Rental expenses – operating leases	**(65.9)**	(67.5)	**(0.7)**	(0.8)
Rental income from:				
- investment properties	**1.4**	1.7	**-**	-
- other properties	**2.2**	2.1	**-**	-
Dividend income from investments	**6.7**	4.8	**-**	-
Interest income from investments	**30.5**	28.2	**-**	-

5 Employee Benefits

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Salaries and benefits in kind	**1,179.8**	1,224.5	**11.0**	9.4
Pension costs - defined contribution plans	**13.9**	10.9	**0.2**	0.2
Pension costs - defined benefit plans (Note 26)	**42.2**	36.7	**-**	-
Termination benefits	**6.4**	4.4	**-**	-
	1,242.3	1,276.5	**11.2**	9.6

6 Net Financing Charges

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Interest expense on:				
- bank borrowings	**(64.9)**	(61.0)	**(2.0)**	(0.7)
- other borrowings	**(6.2)**	(10.8)	**-**	-
	(71.1)	(71.8)	**(2.0)**	(0.7)
Interest capitalised	**9.7**	8.0	**-**	-
Other finance costs	**(43.7)**	(53.2)	**(0.9)**	(0.1)
Financing charges	**(105.1)**	(117.0)	**(2.9)**	(0.8)
Financing income	**84.1**	102.0	**0.3**	-
	(21.0)	(15.0)	**(2.6)**	(0.8)

7 Tax

Tax expense attributable to profit is made up of:

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Current tax:				
- Singapore	**15.4**	12.8	**0.1**	0.1
- Foreign	**434.2**	559.4	**34.8**	37.1
	449.6	572.2	**34.9**	37.2
Deferred tax (Note 25)	**(114.0)**	(93.5)	**(1.6)**	-
	335.6	478.7	**33.3**	37.2
Adjustments in respect of prior years	**0.4**	0.1	**-**	-
	336.0	478.8	**33.3**	37.2

The following sets out the differences between the tax expense on the Group's and the Company's profit before tax and the theoretical amount that would arise using the domestic tax rates applicable to profits of the respective companies.

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Profit before tax	**1,615.6**	2,339.2	**461.6**	397.5
Less: Share of associates' and joint ventures' results after tax	**(471.1)**	(576.2)	**-**	-
	1,144.5	1,763.0	**461.6**	397.5
Tax calculated at domestic tax rates applicable to profits in the respective countries	**274.3**	418.8	**54.8**	41.9
Income not subject to tax	**(43.7)**	(29.9)	**(23.9)**	(8.1)
Expenses not deductible for tax purposes	**40.7**	39.1	**4.0**	3.4
Utilisation of previously unrecognised tax losses	**(1.8)**	(1.3)	**-**	-
Deferred tax assets written off	**0.2**	0.5	**-**	-
Tax losses arising in the year not recognised	**38.7**	14.0	**-**	-
Temporary differences arising in the year not recognised	**0.3**	0.1	**-**	-
Withholding tax	**29.0**	37.7	**(1.1)**	-
Adjustments in respect of prior years	**0.4**	0.1	**-**	-
Others	**(2.1)**	(0.3)	**(0.5)**	-
	336.0	478.8	**33.3**	37.2

The effective tax rates for the Group and Company were 29% (2014: 27%) and 7% (2014: 9%), respectively.

Tax relating to components of other comprehensive income is analysed as follows:

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Revaluation of available-for-sale investments	**0.1**	-	**-**	-
Cash flow hedges	**(11.3)**	7.5	**-**	-
Defined benefit pension plans	**1.3**	1.0	**-**	-
	(9.9)	8.5	**-**	-

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8 Dividends

At the Annual General Meeting on 28th April 2016, a final one-tier tax exempt dividend in respect of 2015 of US¢51 per share amounting to a dividend of approximately US$201.6 million is to be proposed. These financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31st December 2016. The dividends paid in 2015 and 2014 were as follows:

	Group and Company	
	2015 US$m	2014 US$m
Final one-tier tax exempt dividend in respect of previous year of US¢67 per share (2014: in respect of 2013 of US¢90)	**232.6**	315.4
Interim one-tier tax exempt dividend in respect of current year of US¢18 per share (2014: US¢18)	**73.3**	64.2
	305.9	379.6

9 Earnings Per Share

	Group	
	2015 US$m	2014 US$m
Basic and diluted earnings per share		
Profit attributable to shareholders	**688.1**	820.2
Weighted average number of ordinary shares in issue (millions)	**378.1**	365.9
Basic earnings per share	**US¢182**	US¢224
Diluted earnings per share	**US¢182**	US¢224
Basic and diluted underlying earnings per share		
Underlying profit attributable to shareholders	**637.5**	792.8
Basic underlying earnings per share	**US¢169**	US¢217
Diluted underlying earnings per share	**US¢169**	US¢217

For purposes of calculating basic earnings per share, the weighted average number of ordinary shares was adjusted to take into account the effect arising from a renounceable rights issue undertaken by the Company in 2015. Earnings per share for the last financial year had been restated with the above adjustment.

As at 31st December 2014 and 2015, there were no dilutive potential ordinary shares in issue.

9 Earnings Per Share (continued)

A reconciliation of profit attributable to shareholders and underlying profit attributable to shareholders is as follows:

	Group	
	2015 US$m	2014 US$m
Profit attributable to shareholders	**688.1**	820.2
Less:		
Non-trading items (net of tax and non-controlling interests)		
Reversal of impairment charge on associate	**42.5**	-
Negative goodwill on acquisition of business	**-**	18.6
Fair value changes of:		
- investment properties	**17.3**	18.3
- plantations	**(8.4)**	(9.2)
Gain on disposal of associate/joint venture	**0.8**	1.2
Loss on dilution of interest in an associate	**(1.6)**	(1.5)
	50.6	27.4
Underlying profit attributable to shareholders	**637.5**	792.8

10 Intangible Assets

	Goodwill US$m	Franchise rights US$m	Concession rights US$m	Customer acquisition costs US$m	Deferred exploration costs US$m	Computer software & others US$m	Total US$m
Group							
2015							
Balance at 1st January	**187.2**	**171.4**	**407.9**	**65.3**	**66.7**	**23.8**	**922.3**
Translation adjustments	**(19.3)**	**(17.0)**	**(40.7)**	**(6.4)**	**(1.1)**	**(2.8)**	**(87.3)**
Additions arising from acquisition of subsidiaries (Note 36)	**-**	**-**	**-**	**-**	**1.6**	**-**	**1.6**
Additions	**32.7**	**-**	**30.3**	**48.3**	**0.4**	**26.8**	**138.5**
Amortisation (Note 4)	**-**	**-**	**(3.3)**	**(50.9)**	**(2.5)**	**(8.1)**	**(64.8)**
Impairment (Note 4)	**-**	**-**	**-**	**-**	**(16.1)**	**-**	**(16.1)**
Balance at 31st December	**200.6**	**154.4**	**394.2**	**56.3**	**49.0**	**39.7**	**894.2**
Cost	**203.1**	**154.4**	**418.6**	**106.0**	**71.5**	**65.8**	**1,019.4**
Amortisation and impairment	**(2.5)**	**-**	**(24.4)**	**(49.7)**	**(22.5)**	**(26.1)**	**(125.2)**
	200.6	**154.4**	**394.2**	**56.3**	**49.0**	**39.7**	**894.2**
2014							
Balance at 1st January	191.1	175.0	339.4	53.9	51.9	24.3	835.6
Translation adjustments	(3.9)	(3.6)	(10.4)	(1.7)	(1.9)	0.2	(21.3)
Additions	-	-	85.3	63.4	18.3	5.1	172.1
Amortisation (Note 4)	-	-	(6.4)	(50.3)	(1.6)	(5.8)	(64.1)
Balance at 31st December	187.2	171.4	407.9	65.3	66.7	23.8	922.3
Cost	190.0	171.4	431.4	113.4	71.0	43.0	1,020.2
Amortisation and impairment	(2.8)	-	(23.5)	(48.1)	(4.3)	(19.2)	(97.9)
	187.2	171.4	407.9	65.3	66.7	23.8	922.3

Goodwill relating to Astra represents goodwill arising from acquisition of shares in Astra which is regarded as an operating segment. Accordingly, for the purpose of impairment review, the carrying value of Astra is compared with the recoverable amount measured by reference to the quoted market price of the shares held. On the basis of this review and the continued expected level of profitability, management concluded that no impairment has occurred.

10 **Intangible Assets (continued)**

The carrying amounts of franchise rights comprise mainly Astra's automotive of US$55.3 million (2014: US$61.4 million) and heavy equipment of US$97.9 million (2014: US$108.5 million). Management has performed an impairment review of the carrying amounts of franchise rights at 31st December 2015 and concluded that no impairment has occurred. The impairment review of franchise rights was made by comparing the carrying amounts of the cash-generating units in which the franchise rights reside with the recoverable amounts of the cash-generating units. The recoverable amounts of the cash-generating units are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimates stated below:

	2015	2014
Growth rates	**3% - 4%**	3% - 4%
Pre-tax discount rates	**14% - 17%**	15% - 16%

The growth rates do not exceed the long-term average growth rates of the industries. The pre-tax discount rates reflect business specific risks relating to the relevant industries.

The remaining amortisation lives for intangible assets are as follows:

Concession rights	Traffic volume over 30 to 32 years
Customer acquisition costs	1 to 4 years
Computer software and others	1 to 9 years
Deferred exploration costs	28.7 million tonnes (based on unit of production method)

11 **Leasehold Land Use Rights**

	Group	
	2015 US$m	2014 US$m
Net book value at 1st January	**618.3**	502.0
Translation adjustments	**(60.5)**	(16.4)
Additions	**38.7**	170.9
Additions arising from acquisition of subsidiaries (Note 36)	**4.0**	2.5
Disposals	**(0.3)**	-
Transfers to investment properties (Note 13)	**-**	(24.7)
Amortisation (Note 4)	**(31.1)**	(30.6)
Surplus on revaluation before transfer to investment properties	**-**	14.6
Net book value at 31st December	**569.1**	618.3
Cost	**738.9**	772.8
Amortisation and impairment	**(169.8)**	(154.5)
	569.1	618.3

Leasehold land use rights at 31st December 2015 with a net book value of US$2.6 million (2014: US$4.8 million) have been pledged as security for borrowings (Note 24).

The remaining amortisation periods for leasehold land use rights are 1 to 84 years.

12 **Property, Plant and Equipment**

	Freehold land US$m	Buildings and leasehold improvements US$m	Mining properties US$m	Plant & machinery US$m	Office furniture, fixtures & equipment US$m	Transportation equipment & motor vehicles US$m	Total US$m
Group							
2015							
Net book value at 1st January	**34.9**	**992.3**	**735.5**	**1,189.7**	**107.6**	**488.1**	**3,548.1**
Translation adjustments	**(3.2)**	**(94.8)**	**(17.8)**	**(111.9)**	**(10.5)**	**(47.8)**	**(286.0)**
Additions	**-**	**163.0**	**-**	**172.3**	**39.5**	**159.1**	**533.9**
Additions arising from acquisition of subsidiaries (Note 36)	**-**	**4.8**	**6.6**	**18.5**	**0.1**	**0.5**	**30.5**
Transfer to stocks	**-**	**-**	**-**	**(2.6)**	**(0.1)**	**(46.7)**	**(49.4)**
Disposals	**-**	**(1.0)**	**-**	**(1.9)**	**(1.1)**	**(2.8)**	**(6.8)**
Depreciation (Note 4)	**-**	**(73.3)**	**(20.1)**	**(282.4)**	**(43.0)**	**(101.9)**	**(520.7)**
Impairment (Note 4)	**-**	**(3.5)**	**(351.9)**	**(14.6)**	**-**	**(1.2)**	**(371.2)**
Net book value at 31st December	**31.7**	**987.5**	**352.3**	**967.1**	**92.5**	**447.3**	**2,878.4**
Cost	**31.7**	**1,405.4**	**1,040.1**	**2,670.6**	**298.9**	**693.8**	**6,140.5**
Accumulated depreciation	**-**	**(417.9)**	**(687.8)**	**(1,703.5)**	**(206.4)**	**(246.5)**	**(3,262.1)**
	31.7	**987.5**	**352.3**	**967.1**	**92.5**	**447.3**	**2,878.4**
2014							
Net book value at 1st January	36.5	872.6	986.8	1,270.0	98.9	481.8	3,746.6
Translation adjustments	(1.6)	(24.7)	0.6	(22.2)	(2.6)	(10.7)	(61.2)
Additions	-	217.4	-	284.3	60.8	173.5	736.0
Additions arising from acquisition of subsidiaries (Note 36)	-	1.4	-	-	-	0.1	1.5
Transfer from investment properties (Note 13)	-	0.2	-	-	-	-	0.2
Transfer to stocks	-	-	-	(2.6)	(0.2)	(44.3)	(47.1)
Disposals	-	(1.2)	-	(5.0)	(5.0)	(3.1)	(14.3)
Depreciation (Note 4)	-	(73.4)	(21.0)	(334.8)	(44.3)	(109.2)	(582.7)
Impairment (Note 4)	-	-	(230.9)	-	-	-	(230.9)
Net book value at 31st December	34.9	992.3	735.5	1,189.7	107.6	488.1	3,548.1
Cost	34.9	1,373.0	1,076.0	2,803.3	297.6	716.9	6,301.7
Accumulated depreciation	-	(380.7)	(340.5)	(1,613.6)	(190.0)	(228.8)	(2,753.6)
	34.9	992.3	735.5	1,189.7	107.6	488.1	3,548.1

Property, plant and equipment at 31st December 2015 with a net book value of US$56.0 million (2014: US$98.2 million) have been pledged as security for borrowings (Note 24).

Included in the additions are property, plant and equipment acquired under finance leases amounting to US$45.8 million (2014: US$2.5 million).

The carrying amount of plant and machinery and motor vehicles held under finance leases at 31st December 2015 amounted to US$41.0 million and US$45.3 million (2014: US$64.2 million and US$2.8 million), respectively.

12 **Property, Plant and Equipment (continued)**

In 2015, as a result of the decline in coal prices as well as the subdued outlook, management has performed an impairment review of the carrying amount of the mining properties and other assets, and concluded that an impairment has occurred. An impairment loss of US$370.0 million (2014: US$230.9 million) had been included in net operating costs, under the operating segment of Astra.

The impairment review was performed by comparing the carrying amount of the cash-generating units of the mining properties with the recoverable amount. The cash-generating unit is determined based on the location of the mining properties and the extent that they share infrastructure. The recoverable amount of US$337.2 million (2014: US$695.6 million), net of deferred tax, is determined based on its fair value less costs to sell, using a discounted cash flow method with unobservable inputs. Major assumptions used in the valuation are:

	2015	2014
Coal price per tonne	**US$52-US$72**	US$65-US$90
Post-tax discount rate	**12.8%**	12.5%

The periods used in the cash flow forecasts are based on the depletion of reserves or the expiration of the concession period, whichever is earlier.

	Freehold land US$m	**Buildings and leasehold improvements US$m**	**Office furniture, fixtures & equipment US$m**	**Motor vehicles US$m**	**Total US$m**
Company					
2015					
Net book value at 1st January	**27.9**	**5.7**	**0.3**	**1.8**	**35.7**
Translation adjustments	**(1.9)**	**(0.4)**	**-**	**(0.1)**	**(2.4)**
Additions	**-**	**-**	**-**	**0.5**	**0.5**
Disposals	**-**	**-**	**-**	**(0.1)**	**(0.1)**
Depreciation (Note 4)	**-**	**(0.3)**	**-**	**(0.5)**	**(0.8)**
Net book value at 31st December	**26.0**	**5.0**	**0.3**	**1.6**	**32.9**
Cost	**26.0**	**6.2**	**0.9**	**2.5**	**35.6**
Accumulated depreciation	**-**	**(1.2)**	**(0.6)**	**(0.9)**	**(2.7)**
	26.0	**5.0**	**0.3**	**1.6**	**32.9**
2014					
Net book value at 1st January	29.1	6.3	0.4	1.7	37.5
Translation adjustments	(1.2)	(0.3)	-	(0.2)	(1.7)
Additions	-	-	-	0.8	0.8
Disposals	-	-	-	(0.1)	(0.1)
Depreciation (Note 4)	-	(0.3)	(0.1)	(0.4)	(0.8)
Net book value at 31st December	27.9	5.7	0.3	1.8	35.7
Cost	27.9	6.7	0.9	2.5	38.0
Accumulated depreciation	-	(1.0)	(0.6)	(0.7)	(2.3)
	27.9	5.7	0.3	1.8	35.7

13 **Investment Properties**

	Group	
	2015 US$m	2014 US$m
Completed commercial properties:		
Balance at 1st January	**124.9**	73.2
Translation adjustments	**(13.1)**	(3.9)
Fair value gain (Note 4)	**24.6**	30.9
Additions	**8.1**	0.2
Disposals	**(1.0)**	-
Transfer from commercial properties under development	**0.3**	-
Transfer from/(to) leasehold land use rights and property, plant and equipment (Notes 11 and 12)	**-**	24.5
Balance at 31st December	**143.8**	124.9
Commercial properties under development:		
Balance at 1st January	**78.8**	39.4
Translation adjustments	**(8.7)**	(2.7)
Fair value gain (Note 4)	**9.0**	4.7
Additions	**30.6**	37.4
Transfer to completed commercial properties	**(0.3)**	-
Balance at 31st December	**109.4**	78.8
Total	**253.2**	203.7

The valuations of the investment properties were conducted by independent, professionally qualified valuers, based on the open market value. Fair values of these properties are generally derived based on the direct comparison method, using observable recent market transactions. This valuation method is based on comparing the property to be valued directly with other comparable properties. However, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

The Group's policy is to recognise transfers between fair value measurements as of the date of the event or change in circumstances that caused the transfer.

The Group's investment properties have not been pledged as security for borrowings at 31st December 2014 and 2015.

14 Plantations

	Group	
	2015 US$m	2014 US$m
Movements during the year are as follows:		
Balance at 1st January	**907.6**	856.2
Translation adjustments	**(90.1)**	(20.5)
Additions	**76.5**	86.1
Additions arising from acquisition of subsidiaries (Note 36)	**-**	27.0
Disposals	**(6.8)**	(7.1)
Fair value loss (Note 4)	**(28.4)**	(34.1)
Balance at 31st December	**858.8**	907.6
Immature plantations	**173.3**	166.2
Mature plantations	**685.5**	741.4
	858.8	907.6
Planted area (hectares):		
Immature plantations	**31,198**	35,904
Mature plantations	**198,768**	192,795
	229,966	228,699

The Group's plantations are primarily used for the production of palm oil. The plantations were valued internally at their fair values less point of sale costs, based on a discounted cash flow method using unobservable inputs. The major unobservable inputs used in the valuation are:

	2015	2014
Crude palm oil price per tonne	**US$884**	US$941
Effective annual price inflation (for the first five years)	**7%***	7%*
Effective annual cost inflation (for the first five years)	**6%***	7%*
Post-tax discount rate	**14%**	14%

* 0% inflation thereafter

The higher the crude palm oil price per tonne and the higher the effective annual price inflation, the higher the fair value. The higher the effective annual cost inflation and the higher the post-tax discount rate, the lower the fair value.

Changes in unrealised loss for the year for plantations held at the end of the year amounted to US$28.4 million (2014: US$34.1 million) and have been included in profit or loss in the line "Other operating expenses". During the year, the Group harvested 4.2 million (2014: 4.1 million) tonnes of produce from the plantations with a fair value at the point of harvest less point of sale costs of US$385.2 million (2014: US$625.6 million).

The Group's plantations have not been pledged as security for borrowings at 31st December 2014 and 2015.

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15 Interests in Subsidiaries

	Company	
	2015 US$m	2014 US$m
At cost:		
- quoted equity securities (market value: 2015: US$8,871.0 million; 2014: US$12,142.1 million)	**1,215.8**	1,302.3
- unquoted equity securities	**40.1**	40.5
	1,255.9	1,342.8
Less: Impairment	**(2.9)**	(3.1)
	1,253.0	1,339.7

A list of principal subsidiaries is set out in Note 41.

16 Interests in Associates and Joint Ventures

The amounts recognised in the balance sheet are as follows:

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
At cost:				
- quoted equity securities (Group market value:				
2015: US$1,048.9 million; 2014: US$759.6 million)	**1,083.8**	472.2	**647.4**	43.3
- unquoted equity securities	**562.7**	513.9	**139.6**	149.5
	1,646.5	986.1	**787.0**	192.8
Post-acquisition reserves	**1,639.1**	1,706.9	**-**	-
	3,285.6	2,693.0	**787.0**	192.8
Less: Impairment	**(23.9)**	(68.6)	**-**	(68.7)
	3,261.7	2,624.4	**787.0**	124.1
Associates	**1,307.8**	539.4	**741.2**	75.1
Joint ventures	**1,953.9**	2,085.0	**45.8**	49.0
	3,261.7	2,624.4	**787.0**	124.1

The market value of quoted equity securities is based on their quoted prices. In determining whether these investments are impaired, management has also considered recent arm's length transactions of a similar nature.

16 Interests in Associates and Joint Ventures (continued)

Movements of the Group's associates and joint ventures during the year are as follows:

	Associates		Joint ventures	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Balance at 1st January	**539.4**	494.5	**2,085.0**	1,868.6
Translation differences	**(111.8)**	(10.9)	**(201.3)**	(48.6)
Share of results after tax and non-controlling interests	**243.6**	139.5	**227.5**	399.7
Share of other comprehensive income after tax and non-controlling interests	**(1.2)**	0.2	**3.9**	-
Dividends received	**(115.7)**	(86.5)	**(203.2)**	(267.5)
Acquisitions and increases in attributable interests	**743.9**	2.6	**32.8**	133.3
Disposals and decreases in attributable interests	**0.9**	-	**(1.4)**	(0.2)
Other	**8.7**	-	**10.6**	(0.3)
	1,307.8	539.4	**1,953.9**	2,085.0

In 2015, the share of results of associates and joint ventures amounting to US$471.1 million included an amount of US$42.5 million for the reversal of impairment charge. In 2014, the share of results of associates and joint ventures amounting to US$576.2 million included an amount of US$37.0 million for the excess of net fair values of the identifiable assets, liabilities and contingent liabilities of a joint venture acquired over cost of business combinations.

(a) Investment in associates

The material associates of the Group are Siam City Cement Public Company Limited ("SCCC") and PT Astra Daihatsu Motor. These associates have share capital consisting solely of ordinary shares. The Company has a 24.9% interest in SCCC and the Group's subsidiary, Astra has a 31.9% interest in PT Astra Daihatsu Motor. SCCC is a cement manufacturer in Thailand and PT Astra Daihatsu Motor is principally involved in the manufacturing and distribution of Daihatsu motor vehicles in Indonesia.

As at 31st December 2015, the fair value of the Group's interest in SCCC, which is listed on the Stock Exchange of Thailand, was US$514.0 million.

16 Interests in Associates and Joint Ventures (continued)

(a) Investment in associates (continued)

Set out below is the summarised financial information for the Group's material associates.

Summarised balance sheet at 31st December:

	SCCC US$m	PT Astra Daihatsu Motor US$m	Total US$m
2015			
Non-current assets	**792.1**	**570.5**	**1,362.6**
Current assets			
Cash and cash equivalents	**64.5**	**483.0**	**547.5**
Other current assets	**182.4**	**301.4**	**483.8**
Total current assets	**246.9**	**784.4**	**1,031.3**
Non-current liabilities			
Financial liabilities	**(29.0)**	**-**	**(29.0)**
Other non-current liabilities	**(202.5)**	**(43.0)**	**(245.5)**
Total non-current liabilities	**(231.5)**	**(43.0)**	**(274.5)**
Current liabilities			
Financial liabilities (excluding trade payables)	**(35.4)**	**-**	**(35.4)**
Other current liabilities (including trade payables)	**(160.1)**	**(374.5)**	**(534.6)**
Total current liabilities	**(195.5)**	**(374.5)**	**(570.0)**
Net assets	**612.0**	**937.4**	**1,549.4**
2014			
Non-current assets	-	630.0	630.0
Current assets			
Cash and cash equivalents	-	478.5	478.5
Other current assets	-	335.5	335.5
Total current assets	-	814.0	814.0
Non-current liabilities			
Financial liabilities	-	-	-
Other non-current liabilities	-	(41.8)	(41.8)
Total non-current liabilities	-	(41.8)	(41.8)
Current liabilities			
Financial liabilities (excluding trade payables)	-	(0.1)	(0.1)
Other current liabilities (including trade payables)	-	(431.6)	(431.6)
Total current liabilities	-	(431.7)	(431.7)
Net assets	-	970.5	970.5

16 Interests in Associates and Joint Ventures (continued)

(a) Investment in associates (continued)

Summarised statement of comprehensive income for the year ended 31st December:

	SCCC US$m	PT Astra Daihatsu Motor US$m	Total US$m
2015			
Revenue	**659.6**	**3,336.9**	**3,996.5**
Depreciation and amortisation	**(32.1)**	**(95.0)**	**(127.1)**
Financing income	**1.1**	**30.0**	**31.1**
Financing charges	**(10.2)**	**-**	**(10.2)**
Tax	**(21.6)**	**(79.1)**	**(100.7)**
Profit after tax	**92.6**	**250.2**	**342.8**
Other comprehensive income/(expense)	**1.1**	**(1.4)**	**(0.3)**
Total comprehensive income	**93.7**	**248.8**	**342.5**
Dividends received from associates	**24.6**	**59.0**	**83.6**
2014			
Revenue	-	4,011.6	4,011.6
Depreciation and amortisation	-	(98.7)	(98.7)
Financing income	-	47.2	47.2
Tax	-	(89.0)	(89.0)
Profit after tax	-	291.0	291.0
Other comprehensive income/(expense)	-	0.4	0.4
Total comprehensive income	-	291.4	291.4
Dividends received from associates	-	71.2	71.2

The information above reflects the amounts presented in the financial statements of the associates, adjusted for differences in accounting policies between the Group and the associates, and fair value of the associates at the time of acquisition. For associates acquired during 2015, the fair value of the identifiable assets and liabilities at the acquisition date is provisional and will be finalised within one year after the acquisition date.

16 Interests in Associates and Joint Ventures (continued)

(a) Investment in associates (continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the material associates is set out below.

	SCCC US$m	PT Astra Daihatsu Motor US$m	Total US$m
2015			
Net assets	**612.0**	**937.3**	**1,549.3**
Interest in joint ventures (%)	**24.9%**	**31.9%**	
Group's share of net assets in associates	**152.4**	**298.7**	**451.1**
Goodwill	**411.2**	**-**	**411.2**
Carrying value	**563.6**	**298.7**	**862.3**
2014			
Net assets	-	970.5	970.5
Interest in joint ventures (%)		31.9%	
Group's share of net assets in associates	-	309.3	309.3
Goodwill	-	-	-
Carrying value	-	309.3	309.3

The Group has interests in a number of individually immaterial associates. The following table analyses, in aggregate, the share of profit and other comprehensive income and carrying amount of these associates.

	2015 US$m	2014 US$m
Share of profit	**140.8**	46.7
Share of other comprehensive income/(expense)	**(0.7)**	0.1
Share of total comprehensive income	**140.1**	46.8
Carrying amount of interests in these associates	**445.5**	230.1

(b) Investment in joint ventures

The material joint ventures of the Group are PT Astra Honda Motor and PT Bank Permata Tbk. These joint ventures have share capital consisting solely of ordinary shares, which are held by the Group's subsidiary, Astra. Astra has a 50.0% interest in PT Astra Honda Motor and a 44.6% interest in PT Bank Permata Tbk. PT Astra Honda Motor is principally involved in the manufacturing and distribution of Honda motorcycles in Indonesia, while PT Bank Permata Tbk is a commercial bank with operations in Indonesia.

As at 31st December 2015, the fair value of the Group's interest in PT Bank Permata Tbk, which is listed on the Indonesia Stock Exchange, was US$362.8 million (2014: US$640.6 million).

16 **Interests in Associates and Joint Ventures (continued)**

(b) Investment in joint ventures (continued)

Set out below is the summarised financial information for the Group's material joint ventures.

Summarised balance sheet at 31st December:

	PT Astra Honda Motor US$m	PT Bank Permata Tbk US$m	Total US$m
2015			
Non-current assets	**1,394.9**	**5,199.3**	**6,594.2**
Current assets			
Cash and cash equivalents	**212.6**	**1,750.4**	**1,963.0**
Other current assets	**376.4**	**6,235.7**	**6,612.1**
Total current assets	**589.0**	**7,986.1**	**8,575.1**
Non-current liabilities			
Financial liabilities	**-**	**(472.8)**	**(472.8)**
Other non-current liabilities	**(220.9)**	**(80.8)**	**(301.7)**
Total non-current liabilities	**(220.9)**	**(553.6)**	**(774.5)**
Current liabilities			
Financial liabilities (excluding trade and other payables)	**-**	**(149.0)**	**(149.0)**
Other current liabilities (including trade and other payables)	**(582.8)**	**(11,180.0)**	**(11,762.8)**
Total current liabilities	**(582.8)**	**(11,329.0)**	**(11,911.8)**
Net assets	**1,180.2**	**1,302.8**	**2,483.0**
2014			
Non-current assets	1,384.9	5,453.2	6,838.1
Current assets			
Cash and cash equivalents	302.5	1,476.2	1,778.7
Other current assets	444.0	8,058.8	8,502.8
Total current assets	746.5	9,535.0	10,281.5
Non-current liabilities			
Financial liabilities	-	(677.7)	(677.7)
Other non-current liabilities	(246.7)	(96.1)	(342.8)
Total non-current liabilities	(246.7)	(773.8)	(1,020.5)
Current liabilities			
Financial liabilities (excluding trade payables)	-	(58.3)	(58.3)
Other current liabilities (including trade payables)	(655.2)	(12,696.1)	(13,351.3)
Total current liabilities	(655.2)	(12,754.4)	(13,409.6)
Net assets	1,229.5	1,460.0	2,689.5

16 **Interests in Associates and Joint Ventures (continued)**

(b) Investment in joint ventures (continued)

Summarised statement of comprehensive income for the year ended 31st December:

	PT Astra Honda Motor US$m	PT Bank Permata Tbk US$m	Total US$m
2015			
Revenue	**4,256.7**	**1,331.7**	**5,588.4**
Depreciation and amortisation	**(105.5)**	**(19.0)**	**(124.5)**
Financing income	**20.2**	**-**	**20.2**
Tax	**(103.6)**	**(3.5)**	**(107.1)**
Profit after tax	**321.0**	**(18.5)**	**302.5**
Other comprehensive income/(expense)	**(2.4)**	**(3.5)**	**(5.9)**
Total comprehensive income	**318.6**	**(22.0)**	**296.6**
Dividends received from joint ventures	**122.7**	**5.5**	**128.2**
2014			
Revenue	4,972.7	1,426.3	6,399.0
Depreciation and amortisation	(88.6)	(19.8)	(108.4)
Financing income	35.8	-	35.8
Tax	(131.2)	(38.7)	(169.9)
Profit after tax	409.3	133.4	542.7
Other comprehensive income/(expense)	(1.1)	5.1	4.0
Total comprehensive income	408.2	138.5	546.7
Dividends received from joint ventures	143.1	6.5	149.6

The information above reflects the amounts presented in the financial statements of the joint ventures, adjusted for fair value adjustments made at time of acquisition and differences in accounting policies between the Group and the joint ventures. There are no contingent liabilities relating to the Group's interest in the joint ventures.

16 Interests in Associates and Joint Ventures (continued)

(b) Investment in joint ventures (continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the material joint ventures is set out below.

	PT Astra Honda Motor US$m	PT Bank Permata Tbk US$m	Total US$m
2015			
Net assets	**1,180.2**	**1,302.9**	**2,483.1**
Interest in joint ventures (%)	**50.0%**	**44.6%**	
Group's share of net assets in joint ventures	**590.1**	**580.6**	**1,170.7**
Goodwill	**-**	**35.7**	**35.7**
Carrying value	**590.1**	**616.3**	**1,206.4**
2014			
Net assets	1,229.5	1,460.0	2,689.5
Interest in joint ventures (%)	50.0%	44.6%	
Group's share of net assets in joint ventures	614.7	650.6	1,265.3
Goodwill	-	39.6	39.6
Carrying value	614.7	690.2	1,304.9

The Group has interests in a number of individually immaterial joint ventures. The following table analyses, in aggregate, the share of profit and other comprehensive income and carrying amount of these joint ventures.

	2015 US$m	2014 US$m
Share of profit	**75.6**	135.6
Share of other comprehensive income/(expense)	**3.5**	(1.7)
Share of total comprehensive income	**79.1**	133.9
Carrying amount of interests in these joint ventures	**747.5**	780.1

A list of the Group's principal associates and joint ventures is set out in Note 41.

17 Investments

The Group's investments consist of available-for-sale and held-to-maturity financial assets.

	Group		Company	
	2015 US$m	2014 US$m	2015 US$m	2014 US$m
Available-for-sale				
- quoted investments	**391.7**	501.3	**-**	-
- unquoted investments	**37.4**	41.5	**10.0**	8.9
	429.1	542.8	**10.0**	8.9
Held-to-maturity quoted investments	**6.9**	-	**-**	-
	436.0	542.8	**10.0**	8.9
Non-current	**404.3**	525.0	**10.0**	8.9
Current	**31.7**	17.8	**-**	-
	436.0	542.8	**10.0**	8.9
Analysis by geographical area of operation:				
Indonesia	**410.6**	449.4	**-**	-
Singapore	**10.0**	8.9	**10.0**	8.9
Others	**15.4**	84.5	**-**	-
	436.0	542.8	**10.0**	8.9
Movements during the year are as follows:				
Balance at 1st January	**542.8**	446.3	**8.9**	7.7
Translation adjustments	**(48.0)**	(16.4)	**(0.7)**	(0.4)
Fair value changes	**(31.7)**	25.4	**1.8**	1.6
Additions	**116.0**	186.8	**-**	-
Disposals	**(141.6)**	(97.7)	**-**	-
Unwinding of discount	**(1.5)**	(1.6)	**-**	-
Balance at 31st December	**436.0**	542.8	**10.0**	8.9

The fair value measurements of available-for-sale financial assets are determined on the following bases:

	Group		Company	
	2015 US$m	2014 US$m	2015 US$m	2014 US$m
Quoted prices in active markets	**391.7**	501.3	**-**	-
Other valuation techniques using unobservable inputs	**37.4**	41.5	**10.0**	8.9
	429.1	542.8	**10.0**	8.9

17 Investments (continued)

Movements of available-for-sale financial assets which are valued based on other valuation techniques are as follows:

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Balance at 1st January	**41.5**	41.7	**8.9**	7.7
Translation adjustments	**(5.5)**	(1.9)	**(0.7)**	(0.4)
Fair value changes	**1.7**	1.6	**1.8**	1.6
Additions	**0.1**	0.1	**-**	-
Disposals	**(0.4)**	-	**-**	-
Balance at 31st December	**37.4**	41.5	**10.0**	8.9

Included in the available-for-sale unquoted investments is a 49% shareholding in Mercedes-Benz Malaysia Sdn Bhd ("MBM") held through the Group's subsidiary, Cycle & Carriage Bintang Berhad which entitles it to receive an annual dividend when declared. MBM is not considered an associate of the Group as the Group holds its interest through MBM's Class B shares which do not carry any voting rights nor any right to share in the equity interest.

Profit on disposal of available-for-sale financial assets during 2015 amounted to US$6.2 million (2014: US$19.7 million) and was credited to profit and loss.

18 Stocks

	Group	
	2015 US$m	2014 US$m
Finished goods	**1,310.0**	1,252.6
Work in progress	**40.2**	45.8
Raw materials	**40.6**	51.7
Spare parts	**57.2**	82.0
Others	**83.7**	106.0
	1,531.7	1,538.1

Stocks amounting to US$1.4 million at 31st December 2015 (2014: US$1.6 million) have been pledged as security for borrowings (Note 24).

19 Financing Debtors

	Group	
	2015 US$m	2014 US$m
Consumer financing debtors	**4,078.8**	4,401.1
Less: Allowance for impairment	**(182.7)**	(202.2)
	3,896.1	4,198.9
Financing leases		
- gross investment	**542.5**	805.0
- unearned finance income	**(67.4)**	(95.1)
- net investment	**475.1**	709.9
Less: Allowance for impairment	**(14.2)**	(29.0)
	460.9	680.9
	4,357.0	4,879.8
Non-current	**2,057.0**	2,444.4
Current	**2,300.0**	2,435.4
	4,357.0	4,879.8

The maturity analysis of consumer financing debtors is as follows:

Including related finance income

	2015 US$m	2014 US$m
Within one year	**2,856.2**	2,916.7
Between one and two years	**1,489.2**	1,649.5
Between two and five years	**854.2**	1,051.5
Beyond five years	**6.2**	0.2
	5,205.8	5,617.9

Excluding related finance income

	2015 US$m	2014 US$m
Within one year	**2,131.8**	2,152.2
Between one and two years	**1,192.7**	1,315.4
Between two and five years	**749.8**	933.3
Beyond five years	**4.5**	0.2
	4,078.8	4,401.1

The maturity analysis of investment in financing leases is as follows:

	Gross investment		Net investment	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Within one year	**320.1**	457.7	**272.0**	394.8
Between one and two years	**174.3**	246.4	**158.2**	221.2
Between two and five years	**48.1**	100.9	**44.9**	93.9
	542.5	805.0	**475.1**	709.9

19 Financing Debtors (continued)

The consumer financing debtors relate primarily to Astra's motor vehicle and motorcycle financing. Before accepting any new customer, the Group assesses the potential customer's credit quality and sets credit limits by customer using internal scoring systems. These limits and scoring are reviewed periodically. The Group obtains collateral in the form of motor vehicles and motorcycles from consumer financing debtors who 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 6 to 60 months for motor vehicles and motorcycles. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are considered indicators that the debtor is 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 monthly instalments are overdue for 30 days for motor vehicles and 60 days for motorcycles. Management has considered the balances against which collective impairment provision is made as impaired.

At 31st December 2015, consumer financing debtors of US$31.9 million (2014: US$42.1 million) and financing leases of US$18.4 million (2014: US$56.1 million) were impaired. The impaired amounts were covered by allowances of impairment of these debtors which are assessed collectively.

At 31st December 2015, consumer financing debtors of US$349.8 million (2014: US$378.6 million) and financing leases of US$135.5 million (2014: US$148.1 million) were past due but not impaired. The ageing analysis of these debtors is as follows:

	Consumer financing debtors		Financing leases	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Below 30 days	**283.2**	307.0	**86.5**	122.9
Between 31 and 60 days	**55.5**	61.2	**37.6**	17.0
Between 61 and 90 days	**11.1**	10.4	**6.7**	3.3
More than 90 days	**-**	-	**4.7**	4.9
	349.8	378.6	**135.5**	148.1

The fair value of the financing debtors is US$4,303.3 million (2014: US$4,823.2 million). The fair value of financing debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly rates of 6% to 33% per annum (2014: 9% to 33% per annum). The higher the rates, the lower the fair value.

Financing debtors are due within five years (2014: five years) from the balance sheet date and the interest rates range from 6% to 33% per annum (2014: 6% to 33% per annum).

Financing debtors amounting to US$1,836.5 million at 31st December 2015 (2014: US$2,444.3 million) have been pledged as security for borrowings (Note 24).

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

	2015 US$m	2014 US$m
Balance at 1st January	**231.2**	216.6
Translation adjustments	**(22.2)**	(3.8)
Allowance made during the year (Note 4)	**91.6**	105.7
Utilised during the year	**(103.7)**	(87.3)
Balance at 31st December	**196.9**	231.2

20 Debtors

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Financing debtors (Note 19)	**4,357.0**	4,879.8	**-**	-
Trade debtors				
Amounts owing by third parties	**1,360.2**	1,737.8	**-**	-
Less: Allowance for impairment	**(45.6)**	(37.5)	**-**	-
	1,314.6	1,700.3	**-**	-
Amounts owing by associates	**17.0**	13.7	**-**	-
Amounts owing by joint ventures	**49.9**	59.4	**-**	-
	1,381.5	1,773.4	**-**	-
Other debtors				
Repossessed assets	**26.0**	19.1	**-**	-
Restricted bank balances and deposits	**47.8**	50.5	**-**	-
Loans to employees	**32.6**	36.2	**0.1**	0.3
Interest receivable	**4.3**	4.5	**0.1**	-
Amounts owing by associates	**0.9**	1.3	**-**	-
Amounts owing by joint ventures	**104.2**	84.3	**1.8**	-
Amounts owing by subsidiaries	**-**	-	**62.7**	71.3
Less: Allowance for impairment	**-**	-	**(20.3)**	(21.8)
	-	-	**42.4**	49.5
Amount owing to related companies of ultimate holding company	**0.5**	-	**-**	-
Sundry debtors	**104.4**	115.7	**-**	-
Less: Allowance for impairment	**(1.0)**	(1.1)	**-**	-
	103.4	114.6	**-**	-
Financial assets excluding derivatives	**6,058.2**	6,963.7	**44.4**	49.8
Cross-currency swap contracts (Note 33)	**268.2**	159.6	**-**	-
Interest rate swap contracts (Note 33)	**0.1**	0.1	**-**	-
	268.3	159.7	**-**	-
Financial assets	**6,326.5**	7,123.4	**44.4**	49.8
Reinsurers' share of estimated losses (Note 34)	**71.2**	66.5	**-**	-
Deposits	**116.7**	126.7	**0.1**	0.1
Prepayments	**319.5**	245.3	**0.3**	0.4
Others	**37.1**	41.6	**-**	-
	6,871.0	7,603.5	**44.8**	50.3
Non-current	**2,639.4**	2,898.6	**-**	-
Current	**4,231.6**	4,704.9	**44.8**	50.3
	6,871.0	7,603.5	**44.8**	50.3
Analysis by geographical area of operation:				
Indonesia	**6,771.8**	7,529.8	**-**	-
Singapore	**80.1**	55.5	**44.8**	50.3
Others	**19.1**	18.2	**-**	-
	6,871.0	7,603.5	**44.8**	50.3

20 Debtors (continued)

The average credit period on sale of goods and services varies among Group businesses, but is not more than 60 days. Before accepting any new customer, the individual Group business assesses the potential customer's credit quality and sets credit limits by customer using internal credit scoring systems. These limits and scoring are reviewed periodically. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are considered indicators that the debtor is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience.

At 31st December 2015, trade and other debtors of the Group and the Company of US$85.1 million (2014: US$68.2 million) and US$20.3 million (2014: US$21.8 million), respectively, were impaired. The amount of the allowances for the Group and the Company was US$46.7 million (2014: US$38.6 million) and US$20.3 million (2014: US$21.8 million), respectively. It was assessed that a portion of the debtors is expected to be recovered.

At 31st December 2015, trade and other debtors of the Group of US$536.8 million (2014: US$686.6 million) were past due but not impaired. The ageing analysis of these debtors is as follows:

	Group	
	2015 US$m	2014 US$m
Below 30 days	**274.8**	373.3
Between 31 and 60 days	**91.4**	122.9
Between 61 and 90 days	**51.6**	65.0
Over 90 days	**119.0**	125.4
	536.8	686.6

The risk of debtors that are neither past due nor impaired as at 31st December 2015 becoming impaired is low as they have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Movements in the allowance for impairment of trade debtors are as follows:

	Group	
	2015 US$m	2014 US$m
Balance at 1st January	**37.5**	21.0
Translation adjustments	**(3.8)**	(1.2)
Allowance made during the year (Note 4)	**14.1**	22.2
Utilised during the year	**(2.2)**	(4.5)
Balance at 31st December	**45.6**	37.5

20 Debtors (continued)

Movements in the allowance for impairment of other debtors are as follows:

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Balance at 1st January	**1.1**	0.6	**21.8**	22.7
Translation adjustments	**(0.1)**	(0.1)	**(1.5)**	(0.9)
Allowance made during the year (Note 4)	**0.2**	0.7	**-**	-
Utilised during the year	**(0.2)**	(0.1)	**-**	-
Balance at 31st December	**1.0**	1.1	**20.3**	21.8

The fair value of the non-current debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly rates of 14% to 15% per annum (2014: 6% to 16% per annum). The higher the rates, the lower the fair value. The fair value of the repossessed assets held amounted to US$26.0 million (2014: US$19.1 million).

Trade and other debtors of the Group amounting to US$6.5 million at 31st December 2015 (2014: US$6.9 million) have been pledged as security for borrowings (Note 24).

The amounts owing by subsidiaries, associates and joint ventures are interest free except for amounts owing by associates and joint ventures amounting to US$92.5 million (2014: US$73.4 million) which bear weighted average interest rate of 7.4% (2014: 9.8%) per annum.

Included in the sundry debtors in 2014 was an amount of US$3.0 million for the 3-year convertible bonds held by a subsidiary. The bonds paid a coupon rate of 6% per annum, were unsecured and matured in December 2015.

21 Bank Balances And Other Liquid Funds

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Bank and cash balances	**1,121.4**	1,054.6	**51.0**	2.6
Deposits with banks and financial institutions	**1,053.7**	717.4	**84.9**	-
	2,175.1	1,772.0	**135.9**	2.6
Analysis by currency:				
Singapore Dollar	**178.2**	62.4	**125.3**	1.2
United States Dollar	**1,111.8**	688.2	**10.5**	1.3
Malaysian Ringgit	**8.4**	10.4	**-**	-
Japanese Yen	**22.2**	4.8	**-**	-
Indonesian Rupiah	**843.3**	990.4	**0.1**	0.1
Euro	**9.3**	1.9	**-**	-
Vietnam Dong	**1.1**	13.3	**-**	-
Others	**0.8**	0.6	**-**	-
	2,175.1	1,772.0	**135.9**	2.6

The weighted average effective interest rate on interest bearing deposits at 31st December 2015 was 4.1% (2014: 4.2%) per annum.

22 Creditors

	Group		Company	
	2015 US$m	2014 US$m	2015 US$m	2014 US$m
Trade creditors				
Amounts owing to third parties	**1,315.4**	1,355.8	**-**	-
Amounts owing to associates	**57.1**	57.0	**-**	-
Amounts owing to joint ventures	**178.2**	168.1	**-**	-
	1,550.7	1,580.9	**-**	-
Other creditors				
Accruals	**473.7**	497.8	**10.5**	10.3
Interest payable	**26.2**	35.0	**-**	0.1
Amounts owing to joint ventures	**3.4**	3.7	**-**	-
Amounts owing to subsidiaries	**-**	-	**9.3**	9.8
Contingent consideration payable	**27.1**	66.9	**-**	-
Sundry creditors	**211.7**	220.4	**-**	-
Financial liabilities excluding derivatives	**2,292.8**	2,404.7	**19.8**	20.2
Cross-currency swap contracts (Note 33)	**47.3**	8.4	**-**	-
Interest rate swap contracts (Note 33)	**0.2**	0.5	**-**	-
Forward foreign exchange contracts (Note 33)	**0.7**	2.8	**-**	-
	48.2	11.7	**-**	-
Financial liabilities	**2,341.0**	2,416.4	**19.8**	20.2
Insurance contracts – gross estimated losses (Note 34)	**142.3**	136.2	**-**	-
Insurance contracts – unearned premiums (Note 34)	**299.2**	342.4	**-**	-
Rental and other income received in advance	**173.0**	182.5	**-**	-
Customer deposits and advances	**204.8**	177.2	**-**	-
Others	**10.9**	9.2	**-**	-
	3,171.2	3,263.9	**19.8**	20.2
Non-current	**164.4**	280.0	**-**	-
Current	**3,006.8**	2,983.9	**19.8**	20.2
	3,171.2	3,263.9	**19.8**	20.2
Analysis by geographical area of operation:				
Indonesia	**2,946.3**	3,059.5	**-**	-
Singapore	**186.6**	170.2	**19.8**	20.2
Malaysia	**38.3**	34.2	**-**	-
	3,171.2	3,263.9	**19.8**	20.2

The advances from subsidiaries, associates, joint ventures and related companies are unsecured, interest free and repayable on demand. The fair value of creditors approximates their carrying amounts.

23 Provisions

	Warranty and Goodwill expenses US$m	Closure costs US$m	Statutory employee entitlements US$m	Others US$m	Total US$m
Group					
2015					
Balance at 1st January	**35.5**	**0.6**	**93.5**	**15.3**	**144.9**
Translation adjustments	**(2.6)**	**-**	**(9.3)**	**(1.7)**	**(13.6)**
Provision made during the year (Note 4)	**9.8**	**0.3**	**8.7**	**10.9**	**29.7**
Utilised during the year	**(3.2)**	**-**	**(0.3)**	**(2.5)**	**(6.0)**
Balance at 31st December	**39.5**	**0.9**	**92.6**	**22.0**	**155.0**
Non-current	**-**	**0.9**	**73.2**	**20.3**	**94.4**
Current	**39.5**	**-**	**19.4**	**1.7**	**60.6**
	39.5	**0.9**	**92.6**	**22.0**	**155.0**
2014					
Balance at 1st January	32.0	-	88.0	9.5	129.5
Translation adjustments	(1.3)	-	(2.2)	(0.5)	(4.0)
Provision made during the year (Note 4)	9.2	0.6	8.4	6.3	24.5
Utilised during the year	(4.4)	-	(0.7)	-	(5.1)
Balance at 31st December	35.5	0.6	93.5	15.3	144.9
Non-current	-	0.6	73.8	14.8	89.2
Current	35.5	-	19.7	0.5	55.7
	35.5	0.6	93.5	15.3	144.9

24 Borrowings

	Group	
	2015 US$m	2014 US$m
Current borrowings		
Bank loans	**889.9**	896.9
Bank overdrafts	**2.1**	13.9
Other loans	**6.5**	4.5
Current portion of long-term borrowings:		
- Bank loans	**1,188.6**	1,420.1
- Astra Sedaya Finance XII Bonds	**-**	46.6
- Astra Sedaya Finance Berkelanjutan I Tahap I Bonds	**-**	155.6
- Astra Sedaya Finance Berkelanjutan I Tahap III Bonds	**80.6**	-
- Astra Sedaya Finance Berkelanjutan II Tahap I Bonds	**61.7**	7.7
- Astra Sedaya Finance Berkelanjutan II Tahap II Bonds	**63.0**	-
- Astra Sedaya Finance Berkelanjutan II Tahap III Bonds	**-**	91.1
- Astra Sedaya Finance Berkelanjutan II Tahap IV Bonds	**-**	78.9
- Astra Sedaya Finance Berkelanjutan II Tahap V Bonds	**54.2**	-
- Federal International Finance Berkelanjutan I Tahap I Bonds	**-**	130.6
- Federal International Finance Berkelanjutan I Tahap II Bonds	**122.4**	-
- Federal International Finance Berkelanjutan I Tahap III Bonds	**-**	58.2
- Federal International Finance Berkelanjutan II Tahap I Bonds	**67.8**	-
- Federal International Finance Berkelanjutan II Tahap II Bonds	**49.5**	-
- SAN Finance II Bonds	**-**	64.7
- SAN Finance Berkelanjutan I Tahap I Bonds	**23.8**	-
- Serasi Auto Raya II Bonds	**-**	37.8
- Serasi Auto Raya III Bonds	**10.4**	11.1
- Finance lease liabilities	**31.4**	36.2
- Others	**2.9**	18.6
	2,654.8	3,072.5

24 Borrowings (continued)

	Group	
	2015 US$m	2014 US$m
Long-term borrowings		
Bank loans	**1,326.4**	1,571.9
Astra Sedaya Finance Berkerlanjutan I Tahap I Bonds	**163.1**	180.6
Astra Sedaya Finance Berkerlanjutan I Tahap III Bonds	**-**	90.0
Astra Sedaya Finance Berkerlanjutan II Tahap I Bonds	**-**	69.5
Astra Sedaya Finance Berkerlanjutan II Tahap II Bonds	**24.3**	98.3
Astra Sedaya Finance Berkerlanjutan II Tahap III Bonds	**55.6**	62.0
Astra Sedaya Finance Berkerlanjutan II Tahap IV Bonds	**103.2**	114.7
Astra Sedaya Finance Berkerlanjutan II Tahap V Bonds	**56.1**	-
Astra Sedaya Finance Singapore Dollars Guaranteed Bonds	**70.0**	74.4
Astra Sedaya Finance Euro Medium Term Note	**299.6**	-
Federal International Finance Berkelanjutan I Tahap II Bonds	**-**	135.7
Federal International Finance Berkelanjutan I Tahap III Bonds	**53.9**	59.7
Federal International Finance Berkelanjutan II Tahap I Bonds	**142.3**	-
Federal International Finance Berkelanjutan II Tahap II Bonds	**42.6**	-
SAN Finance Berkelanjutan I Tahap I Bonds	**-**	28.8
SAN Finance Berkelanjutan I Tahap II Bonds	**65.0**	76.8
SAN Finance Berkelanjutan I Tahap III Bonds	**29.0**	-
Serasi Auto Raya III Bonds	**-**	11.5
Finance lease liabilities	**64.8**	48.2
Others	**1.2**	2.5
	2,497.1	2,624.6
Total borrowings	**5,151.9**	5,697.1
Secured	**3,129.2**	4,182.5
Unsecured	**2,022.7**	1,514.6
	5,151.9	5,697.1

At 31st December 2015, the Company did not have any bank loans (2014: US$49.2 million).

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at 31st December, after taking into account hedging transactions are as follows:

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Within one year	**3,068.2**	3,307.2	**-**	49.2
Between one and two years	**1,226.5**	1,320.2	**-**	-
Between two and three years	**790.6**	1,000.6	**-**	-
Between three and four years	**66.6**	69.1	**-**	-
Between four and five years	**-**	-	**-**	-
	5,151.9	5,697.1	**-**	49.2

24 Borrowings (continued)

The minimum lease payments under the finance lease liabilities were payable as follows:

	Group 2015 US$m	Group 2014 US$m
Finance lease liabilities – minimum lease payments:		
- within one year	**32.7**	38.2
- between one and five years	**71.2**	49.7
	103.9	87.9
Future finance charges on finance leases	**(7.7)**	(3.5)
Present value of finance lease liabilities	**96.2**	84.4

The present value of finance lease liabilities is as follows:

	Group 2015 US$m	Group 2014 US$m
- within one year	**31.4**	36.2
- between one and five years	**64.8**	48.2
	96.2	84.4

After taking into account hedging transactions, the weighted average interest rates and period of fixed rate borrowings of the Group and Company are as follows:

		Fixed rate borrowings		Floating rate borrowings	Total
Currency	Weighted average interest rates %	Weighted average period outstanding Months	US$m	US$m	US$m
Group					
2015					
Singapore Dollar	**2.09**	**-**	**-**	**24.8**	**24.8**
United States Dollar	**2.13**	**17**	**233.2**	**527.9**	**761.1**
Indonesian Rupiah	**8.61**	**16**	**3,499.6**	**860.6**	**4,360.2**
Malaysian Ringgit	**3.69**	**-**	**-**	**5.8**	**5.8**
			3,732.8	**1,419.1**	**5,151.9**
2014					
Singapore Dollar	1.14	-	-	64.4	64.4
United States Dollar	2.26	17	257.0	473.2	730.2
Indonesian Rupiah	9.12	18	4,218.4	684.1	4,902.5
			4,475.4	1,221.7	5,697.1
Company					
2015					
Singapore Dollar	**-**	**-**	**-**	**-**	**-**
2014					
Singapore Dollar	1.12	-	-	49.2	49.2

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2015

24 Borrowings (continued)

The fair values of current borrowings approximate their carrying amounts, as the impact of discounting is not significant. The fair values of the non-current borrowings at the end of the year are as follows:

	Group 2015 US$m	Group 2014 US$m
Bank loans	**1,331.9**	1,579.8
Bonds and others	**1,167.0**	1,040.8
	2,498.9	2,620.6

The fair values are based on market prices, or are estimated using the expected future payments discounted at market interest rates ranging from 7.50% to 11.25% per annum (2014: 7.75% to 11.5% per annum). This is in line with the definition of "observable current market transactions" under the fair value measurement hierarchy.

At 31st December 2015, bank loans and bonds amounting to US$3,129.2 million (2014: US$4,182.5 million) have been collateralised by debtors, stocks, financing debtors, property, plant and equipment and leasehold land use rights.

	Maturity	Interest rates %	Nominal values US$m	Nominal values Rp billion
Astra Sedaya Finance ("ASF") Bonds				
ASF Berkelanjutan I Tahap I Bonds	2017	8.6%	163.1	2,250.0
ASF Berkelanjutan I Tahap III Bonds	2016	7.75%	81.2	1,120.0
ASF Berkelanjutan II Tahap I Bonds	2016	7.75%	68.9	950.0
ASF Berkelanjutan II Tahap II Bonds	2016-2017	9.5%-9.75%	91.0	1,255.0
ASF Berkelanjutan II Tahap III Bonds	2017-2018	10.5%-10.6%	59.1	815.0
ASF Berkelanjutan II Tahap IV Bonds	2017	10.5%	108.7	1,500.0
ASF Berkelanjutan II Tahap V Bonds	2016-2018	8.5%-9.25%	114.2	1,575.0
ASF Singapore Dollars Guaranteed Bonds	2017	2.12%	70.7	975.1
ASF Euro Medium Term Note	2018	2.88%	300.0	4,138.5
			1,056.9	14,578.6

The ASF Bonds were issued by a partly-owned subsidiary of Astra and are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 60% of the total outstanding principal of the bonds.

	Maturity	Interest rates %	Nominal values US$m	Nominal values Rp billion
Federal International Finance ("FIF") Bonds				
FIF Berkelanjutan I Tahap II Bonds	2016	7.75%	122.5	1,690.0
FIF Berkelanjutan I Tahap III Bonds	2017	10.5%	54.0	745.0
FIF Berkelanjutan II Tahap I Bonds	2016-2018	8.5%-9.25%	217.5	3,000.0
FIF Berkelanjutan II Tahap II Bonds	2016-2018	8.5%-9.25%	108.7	1,500.0
			502.7	6,935.0

The FIF Bonds were issued by a wholly-owned subsidiary of Astra and are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 60% of the total outstanding principal of the bonds.

24 Borrowings (continued)

	Maturity	Interest rates %	Nominal values US$m	Nominal values Rp billion
Serasi Auto Raya Bonds				
Serasi Auto Raya III Bonds	2016	8.75%	10.7	148.0
			10.7	148.0

The Serasi Auto Raya Bonds were unsecured and issued by a wholly-owned subsidiary of Astra.

	Maturity	Interest rates %	Nominal values US$m	Nominal values Rp billion
SAN Finance Bonds				
SAN Finance Berkelanjutan I Tahap I Bonds	2016	9.75%	28.3	391.0
SAN Finance Berkelanjutan I Tahap II Bonds	2017	10.5%	72.5	1,000.0
SAN Finance Berkelanjutan I Tahap III Bonds	2018	9.4%	36.2	500.0
			137.0	1,891.0

The SAN Finance Bonds were issued by a partly-owned subsidiary of Astra and are collateralised by fiduciary guarantee over net investment in finance leases of the subsidiary amounting to 60% of the total outstanding principal of the bonds.

25 Deferred Tax

	Accelerated tax depreciation US$m	Fair value (gains)/losses US$m	Provisions US$m	Tax losses US$m	Employee benefits & others US$m	Total US$m
Group						
2015						
Balance at 1st January	**23.6**	**(374.3)**	**106.6**	**16.3**	**57.7**	**(170.1)**
Translation adjustments	**(2.6)**	**23.9**	**(10.7)**	**(1.1)**	**(5.9)**	**3.6**
Credited/(charged) to profit and loss account (Note 7)	**13.3**	**73.5**	**12.1**	**(0.4)**	**15.5**	**114.0**
Credited/(charged) to other comprehensive income (Note 7)	**-**	**(11.2)**	**-**	**-**	**1.3**	**(9.9)**
Additions arising from acquisition of subsidiaries (Note 36)	**-**	**(4.1)**	**-**	**-**	**-**	**(4.1)**
Addition arising from acquisition of an associate	**-**	**-**	**-**	**-**	**(7.3)**	**(7.3)**
Balance at 31st December	**34.3**	**(292.2)**	**108.0**	**14.8**	**61.3**	**(73.8)**
2014						
Balance at 1st January	12.2	(472.1)	110.1	11.9	66.8	(271.1)
Translation adjustments	(0.8)	3.7	(2.5)	(0.5)	(0.9)	(1.0)
Credited/(charged) to profit and loss account (Note 7)	12.2	86.6	(1.0)	4.9	(9.2)	93.5
Credited/(charged) to other comprehensive income (Note 7)	-	7.5	-	-	1.0	8.5
Balance at 31st December	23.6	(374.3)	106.6	16.3	57.7	(170.1)

	Unremitted/Undistributed earnings 2015 US$m	Unremitted/Undistributed earnings 2014 US$m
Company		
Balance at 1st January	**(0.2)**	(0.2)
Translation adjustments	**0.2**	-
Credited to profit and loss account (Note 7)	**1.6**	-
Addition arising from acquisition of an associate	**(7.3)**	-
Balance at 31st December	**(5.7)**	(0.2)

Deferred tax balances predominantly comprise non-current items. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheets:

	Group 2015 US$m	Group 2014 US$m	Company 2015 US$m	Company 2014 US$m
Deferred tax assets	**220.0**	231.6	**-**	-
Deferred tax liabilities	**(293.8)**	(401.7)	**(5.7)**	(0.2)
Balance at 31st December	**(73.8)**	(170.1)	**(5.7)**	(0.2)

25 Deferred Tax (continued)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group did not recognise deferred income tax assets of US$66.0 million (2014: US$34.1 million) in respect of tax losses of US$264.1 million in 2015 (2014: US$136.5 million) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. These tax losses have expiry dates as follows:

	Group	
	2015 US$m	2014 US$m
No expiry date	**1.5**	1.8
Expiring in one year	**6.9**	5.0
Expiring in two years	**21.5**	8.1
Expiring in three years	**41.6**	23.0
Expiring in four years	**41.5**	45.3
Expiring beyond four years	**151.1**	53.3
	264.1	136.5

Deferred tax liabilities of US$447.6 million (2014: US$417.9 million) on temporary differences associated with investments in subsidiaries of US$4,476.3 million (2014: US$4,178.9 million) have not been recognised as there is no intention of remitting the retained earnings to the Company in the foreseeable future.

26 Pension Liabilities

The Group, through Astra, has defined benefit pension plans covering its employees in Indonesia and are either funded or unfunded. The assets of the funded plans are held independently of the Group's assets in separate trustee administered funds. The pension liabilities are calculated annually by an independent actuary using the projected unit credit method.

The amounts recognised in the Group balance sheet are as follows:

	2015 US$m	2014 US$m
Fair value of plan assets	**62.7**	74.5
Present value of funded obligations	**(81.4)**	(92.4)
	(18.7)	(17.9)
Present value of unfunded obligations	**(201.2)**	(192.4)
Impact of minimum funding requirement/assets ceiling	**0.3**	0.2
Net pension liabilities	**(219.6)**	(210.1)

26 Pension Liabilities (continued)

The movement in the net pension liabilities is as follows:

	Fair value of plan assets US$m	Present value of obligations US$m	Total US$m	Impact of minimum funding requirement/ asset ceiling US$m	Net amount US$m
2015					
At 1st January	**74.5**	**(284.8)**	**(210.3)**	**0.2**	**(210.1)**
Translation differences	**(7.2)**	**28.5**	**21.3**	**-**	**21.3**
Current service cost	**-**	**(26.2)**	**(26.2)**	**-**	**(26.2)**
Interest income/(expense)	**5.2**	**(21.3)**	**(16.1)**	**-**	**(16.1)**
Past service cost and gains/(losses) on settlement	**-**	**0.1**	**0.1**	**-**	**0.1**
	5.2	**(47.4)**	**(42.2)**	**-**	**(42.2)**
Remeasurements					
- return on plan assets, excluding amounts included in interest income/(expense)	**(3.3)**	**-**	**(3.3)**	**-**	**(3.3)**
- change in financial assumptions	**-**	**13.9**	**13.9**	**-**	**13.9**
- experience gains/(losses)	**-**	**(16.6)**	**(16.6)**	**-**	**(16.6)**
- change in asset ceiling, excluding amounts included in interest expense	**-**	**-**	**-**	**0.1**	**0.1**
	(3.3)	**(2.7)**	**(6.0)**	**0.1**	**(5.9)**
Contributions from employers	**4.2**	**-**	**4.2**	**-**	**4.2**
Contribution from plan participants	**0.8**	**(0.8)**	**-**	**-**	**-**
Benefit payments	**(12.9)**	**24.6**	**11.7**	**-**	**11.7**
Transfer (to)/from plans	**1.4**	**-**	**1.4**	**-**	**1.4**
At 31st December	**62.7**	**(282.6)**	**(219.9)**	**0.3**	**(219.6)**
2014					
At 1st January	76.9	(265.3)	(188.4)	0.4	(188.0)
Translation differences	(1.5)	6.4	4.9	-	4.9
Current service cost	-	(20.9)	(20.9)	-	(20.9)
Interest income/(expense)	5.5	(19.7)	(14.2)	-	(14.2)
Past service cost and gains/(losses) on settlement	-	(1.6)	(1.6)	-	(1.6)
	5.5	(42.2)	(36.7)	-	(36.7)
Remeasurements					
- return on plan assets, excluding amounts included in interest income/(expense)	2.2	-	2.2	-	2.2
- change in financial assumptions	-	13.2	13.2	-	13.2
- experience gains/(losses)	-	(18.6)	(18.6)	-	(18.6)
- change in asset ceiling, excluding amounts included in interest expense	-	-	-	(0.2)	(0.2)
	2.2	(5.4)	(3.2)	(0.2)	(3.4)
Contributions from employers	3.2	-	3.2	-	3.2
Contribution from plan participants	0.9	(0.9)	-	-	-
Benefit payments	(11.9)	22.5	10.6	-	10.6
Transfer (to)/from plans	(0.8)	0.1	(0.7)	-	(0.7)
At 31st December	74.5	(284.8)	(210.3)	0.2	(210.1)

26 Pension Liabilities (continued)

The weighted average duration of the defined benefit obligation at 31st December 2015 is 17 years.

Expected maturity analysis of undiscounted pension benefits at 31st December is as follows:

	2015 US$m	2014 US$m
Less than a year	**18.6**	25.3
Between one and two years	**14.4**	12.8
Between two and five years	**86.7**	82.6
Beyond five years	**4,722.3**	4,647.7
	4,842.0	4,768.4

The principal actuarial assumptions used for accounting purposes at 31st December are as follows:

	2015 %	2014 %
Discount rate	**9**	9
Salary growth rate	**8**	8

As the employees in Indonesia usually take one-off lump sum amounts from the plans upon retirement, mortality is not a significant assumption for these plans.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption US$m	Decrease in assumption US$m
Discount rate	1%	(31.0)	38.6
Salary growth rate	1%	42.8	(34.8)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the pension liability recognised within the balance sheet.

26 Pension Liabilities (continued)

The analysis of the fair value of plan assets at 31st December is as follows:

	2015 US$m	2014 US$m
Quoted investments		
Equity instruments	**27.0**	30.9
Debt instruments		
- government	**15.6**	17.4
- corporate bonds (investment grade)	**17.6**	19.2
Total investments	**60.2**	67.5
Cash and cash equivalents	**2.5**	7.0
	62.7	74.5

The top three sectors of the quoted equity instruments were financials, properties and consumer goods with combined fair values of US$20.7 million. In 2014, the top three sectors were financials, properties and industrials with combined fair values of US$17.4 million.

Through its defined benefit pension plans, the Group is expected to be exposed to a number of risks such as asset volatility and changes in bond yields, which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets underperform this yield, this will create a deficit. The Group's defined benefit plans hold a significant proportion of equities, which are expected to outperform government and corporate bonds in the long-term while providing volatility and risk in the short-term.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that is developed to achieve long-term returns that are in line with the obligations under the pension schemes. Within this ALM framework, the Group's objective is to match assets to the pension obligations by investing in a well-diversified portfolio that generates sufficient risk-adjusted returns that match the benefit payments. The Group also actively monitors the duration and the expected yield of the investments to ensure it matches the expected cash outflows arising from the pension obligations.

Investments across the plans are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

The Group maintains an active and regular contribution schedule across all the plans. The contributions to all its plans in 2015 were US$4.2 million and the estimated amount of contributions expected to be paid to the plans in 2016 is US$4.2 million.

27 Share Capital of the Company

	2015 US$m	2014 US$m
Issued and fully paid:		
Balance at 1st January - 355,712,660 (2014: 355,712,660) ordinary shares	**632.6**	632.6
Shares issued arising from rights issue - 39,523,628 (2014: Nil) ordinary shares	**752.3**	-
Share issue expenses	**(3.9)**	-
Balance at 31st December - 395,236,288 (2014: 355,712,660) ordinary shares	**1,381.0**	632.6

There is no par value for the ordinary shares. The Company did not hold any treasury shares as at 31st December 2015 (31st December 2014: Nil).

On 23rd July 2015, the Company issued 39,523,628 new ordinary shares at an issue price of S$26.00 per share, raising gross proceed of S$1,027.6 million, pursuant to a rights issue announced on 18th June 2015.

28 Revenue Reserve

	Group		Company	
	2015 US$m	2014 US$m	2015 US$m	2014 US$m
Movements:				
Balance at 1st January	**4,813.7**	4,329.9	**505.8**	525.1
Defined benefit pension plans				
- remeasurements	**(2.3)**	(1.1)	**-**	-
- deferred tax	**0.5**	0.3	**-**	-
Share of associates' and joint ventures' remeasurement of defined benefit pension plans, net of tax	**(1.1)**	(0.1)	**-**	-
Profit attributable to shareholders	**688.1**	820.2	**428.3**	360.3
Dividends paid by the Company	**(305.9)**	(379.6)	**(305.9)**	(379.6)
Change in shareholding	**19.1**	44.2	**-**	-
Other	**9.3**	(0.1)	**-**	-
Balance at 31st December	**5,221.4**	4,813.7	**628.2**	505.8

The Group's revenue reserve includes actuarial loss on defined benefit pension plans of US$26.1 million (2014: US$23.2 million).

29 Other Reserves

	Group		Company	
	2015 US$m	2014 US$m	2015 US$m	2014 US$m
Composition:				
Asset revaluation reserve	**347.0**	347.0	**-**	-
Translation reserve	**(1,697.4)**	(1,196.0)	**223.9**	350.0
Fair value reserve	**5.2**	36.1	**3.5**	1.7
Hedging reserve	**6.4**	(13.5)	**-**	-
Other reserve	**3.3**	3.3	**-**	-
Balance at 31st December	**(1,335.5)**	(823.1)	**227.4**	351.7
Movements:				
Asset revaluation reserve				
Balance at 1st January	**347.0**	338.8	**-**	-
Surplus on revaluation of assets	**-**	6.0	**-**	-
Share of associates' and joint ventures' surplus on revaluation of assets	**-**	2.2	**-**	-
Balance at 31st December	**347.0**	347.0	**-**	-
Translation reserve				
Balance at 1st January	**(1,196.0)**	(1,078.8)	**350.0**	414.7
Translation difference	**(501.4)**	(117.2)	**(126.1)**	(64.7)
Balance at 31st December	**(1,697.4)**	(1,196.0)	**223.9**	350.0
Fair value reserve				
Balance at 1st January	**36.1**	31.1	**1.7**	0.1
Available-for-sale investments				
- fair value changes	**(26.2)**	12.5	**1.8**	1.6
- deferred tax	**0.1**	-	**-**	-
- transfer to profit and loss	**(3.3)**	(9.2)	**-**	-
Share of associates' and joint ventures' fair value changes of available-for-sale investments, net of tax	**(1.5)**	1.7	**-**	-
Balance at 31st December	**5.2**	36.1	**3.5**	1.7
Hedging reserve				
Balance at 1st January	**(13.5)**	4.2	**-**	-
Cash flow hedges				
- fair value changes	**69.6**	(69.5)	**-**	-
- deferred tax	**(5.3)**	4.1	**-**	-
- transfer to profit and loss	**(48.5)**	51.7	**-**	-
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	**4.1**	(4.0)	**-**	-
Balance at 31st December	**6.4**	(13.5)	**-**	-
Other reserve				
Balance at 1st January and 31st December	**3.3**	3.3	**-**	-

30 Non-Controlling Interests

	Group	
	2015 US$m	2014 US$m
Balance at 1st January	**6,175.4**	5,621.9
Asset revaluation surplus		
- surplus on revaluation of assets	**-**	8.6
Share of associates' and joint ventures' surplus on revaluation of assets	**-**	3.4
Available-for-sale investments		
- fair value changes	**(5.5)**	12.9
- transfer to profit and loss	**(3.6)**	(10.0)
	(9.1)	2.9
Share of associates' and joint ventures' fair value changes of available-for-sale investments, net of tax	**(1.5)**	1.7
Cash flow hedges		
- fair value changes	**71.6**	(64.4)
- deferred tax	**(6.0)**	3.4
- transfer to profit and loss	**(48.6)**	51.4
	17.0	(9.6)
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	**3.9**	(3.9)
Defined benefit pension plans		
- remeasurements	**(3.6)**	(2.3)
- deferred tax	**0.8**	0.7
	(2.8)	(1.6)
Share of associates' and joint ventures' remeasurements of defined benefit pension plans, net of tax	**(1.2)**	(0.8)
Translation difference	**(587.1)**	(129.6)
Profit for the year	**591.5**	1,040.2
Issue of shares	**1.6**	-
Dividends paid	**(465.0)**	(493.1)
Change in shareholding	**(19.5)**	135.4
Acquisition of subsidiaries	**28.4**	-
Other	**10.0**	(0.1)
Balance at 31st December	**5,741.6**	6,175.4

30 Non-Controlling Interests (continued)

Set out below is the summarised financial information for the Group's subsidiary, Astra, that has non-controlling interests that are material to the Group.

Summarised balance sheet at 31st December:

	2015 US$m	2014 US$m
Current		
Assets	**7,616.2**	7,804.5
Liabilities	**(5,512.8)**	(5,894.5)
Total current net assets	**2,103.4**	1,910.0
Non-current		
Assets	**10,818.8**	11,957.8
Liabilities	**(3,245.0)**	(3,579.4)
Total non-current net assets	**7,573.8**	8,378.4
Net assets	**9,677.2**	10,288.4
Non-controlling interests	**1,868.5**	2,138.6

Summarised statement of comprehensive income for the year ended 31st December:

	2015 US$m	2014 US$m
Revenue	**13,702.2**	16,995.4
Profit after tax	**1,093.4**	1,825.5
Other comprehensive income	**13.9**	(227.8)
Total comprehensive income	**1,107.3**	1,597.7
Total comprehensive income allocated to non-controlling interests	**71.6**	223.1
Dividends paid to non-controlling interests	**(137.2)**	(123.1)

Summarised cash flows for the year ended 31st December:

	2015 US$m	2014 US$m
Cash generated from operations	**2,356.8**	1,705.0
Net interest and other financing costs paid	**(14.6)**	(13.3)
Income taxes paid	**(448.6)**	(494.2)
Net cash flows from operating activities	**1,893.6**	1,197.5
Net cash flows from investing activities	**(576.3)**	(841.3)
Net cash flows from financing activities	**(920.3)**	(242.2)
Net change in cash and cash equivalents	**397.0**	114.0
Cash and cash equivalents at 1st January	**1,666.3**	1,522.3
Effect of exchange rate exchanges	**(100.8)**	30.0
Cash and cash equivalents at 31st December	**1,962.5**	1,666.3

The information above is the amount before inter-company eliminations.

31 Related Party Transactions

In addition to the related party information shown elsewhere in the financial statements, the following significant related party transactions took place during the financial year:

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
(a) With associates and joint ventures:				
Purchase of goods and services	**(5,491.2)**	(7,079.7)	**-**	-
Sale of goods and services	**1,280.3**	1,353.6	**-**	-
Commission and incentives earned	**16.6**	19.6	**-**	-
Bank deposits and balances	**402.0**	403.6	**-**	-
Dividend income	**-**	-	**50.6**	13.5
Interest received	**31.6**	43.8	**-**	-
(b) With related companies and associates of ultimate holding company:				
Management fees paid	**(3.9)**	(4.5)	**(3.8)**	(4.4)
Secondment costs	**(5.7)**	(4.9)	**(5.7)**	(4.9)
Purchase of goods and services	**(1.0)**	(1.0)	**-**	-
Sale of goods and services	**6.3**	6.0	**-**	-
(c) Remuneration of directors of the Company and key management personnel of the Group:				
Salaries and other short-term employee benefits	**(9.0)**	(8.2)	**(7.1)**	(6.6)

32 Commitments

(a) Capital commitments

Capital expenditure authorised for at the balance sheet date, but not recognised in the financial statements is as follows:

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Authorised and contracted	**296.2**	366.2	**-**	-
Authorised but not contracted	**476.9**	543.2	**-**	-
	773.1	909.4	**-**	-

(b) Operating lease commitments

The Group leases various property, plant and machinery under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments and receivables under non-cancellable operating leases contracted for at the reporting date, but not recognised as liabilities or receivables, are as follows:

	Group		Company	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Lease rentals payable:				
- within one year	**9.6**	7.0	**0.2**	0.2
- between one and five years	**15.0**	14.4	**-**	-
- beyond five years	**24.3**	27.6	**-**	-
	48.9	49.0	**0.2**	0.2
Lease rentals receivable:				
- within one year	**86.6**	123.6	**-**	-
- between one and five years	**68.7**	115.8	**-**	-
- beyond five years	**0.2**	0.6	**-**	-
	155.5	240.0	**-**	-

33 Derivative Financial Instruments

At 31st December, the fair values of the Group's and the Company's derivative financial instruments were:

	Group		Company	
	Assets US$m	Liabilities US$m	Assets US$m	Liabilities US$m
2015				
Designated as cash flow hedges				
- Forward foreign exchange contracts	**-**	**0.7**	**-**	**-**
- Interest rate swap contracts	**0.1**	**0.2**	**-**	**-**
- Cross-currency swap contracts	**268.2**	**47.3**	**-**	**-**
	268.3	**48.2**	**-**	**-**
Not qualifying as hedges				
- Forward foreign exchange contracts	**-**	**-**	**-**	**-**
2014				
Designated as cash flow hedges				
- Forward foreign exchange contracts	-	2.7	-	-
- Interest rate swap contracts	0.1	0.5	-	-
- Cross-currency swap contracts	159.6	8.4	-	-
	159.7	11.6	-	-
Not qualifying as hedges				
- Forward foreign exchange contracts	-	0.1	-	-

(a) Forward foreign exchange contracts

The contract amounts of the outstanding forward foreign exchange contracts at 31st December 2015 were US$34.9 million (2014: US$74.8 million).

(b) Interest rate swap contracts

The notional principal amounts of the outstanding interest rate swap contracts at 31st December 2015 were US$148.2 million (2014: US$252.9 million). At 31st December 2015, the fixed interest rates range from 0.59% to 3.33% per annum (2014: 0.59% to 3.46% per annum).

(c) Cross-currency swap contracts

The contract amounts of the outstanding cross-currency swap contracts at 31st December 2015 were US$2,174.1 million (2014: US$2,376.2 million).

34 Insurance Contracts

	Group	
	2015 US$m	2014 US$m
Gross estimated losses (Note 22)	**142.3**	136.2
Claims payable	**3.1**	4.8
Unearned premiums (Note 22)	**299.2**	342.4
	444.6	483.4
Less: Reinsurers' share of estimated losses (Note 20)	**(71.2)**	(66.5)
Total insurance liabilities	**373.4**	416.9

The gross estimated losses and unearned premiums are analysed as follows:		
Non-current	**67.1**	82.3
Current	**377.5**	401.1
	444.6	483.4

Claims payable are included in trade creditors. The amount and timing of claim payments are typically resolved within one year.

Movements in insurance liabilities and reinsurance assets

(a) Claims and loss adjustment expenses

	2015 US$m	2014 US$m
Balance at 1st January	**74.5**	65.1
Cash paid for claims settled in the period	**(149.5)**	(140.8)
Increase in liabilities		
- arising from current period claims	**153.2**	143.6
- arising from prior period claims	**3.6**	8.4
Translation adjustments	**(7.6)**	(1.8)
Total at 31st December	**74.2**	74.5
Notified claims	**54.0**	59.3
Incurred, but not reported	**20.2**	15.2
Total at 31st December	**74.2**	74.5

(b) Unearned premium provision

	2015 US$m	2014 US$m
At 1st January	**342.4**	328.0
Increase/(decrease)	**(9.8)**	22.0
Translation adjustments	**(33.4)**	(7.6)
Total at 31st December	**299.2**	342.4

The risk under an insurance contract is the possibility that the insured event may occur and the resulting loss may vary in severity. Although it is possible for the actual loss to exceed the carrying amount of insurance liabilities, the extent of liabilities of the risk carrier is confined to the sum insured or the limit specified under the contract.

The Group manages its insurance risks through its underwriting guidelines, which are approved by an appropriate level of management regularly. The Group also has adequate reinsurance arrangements and proactive claims handling.

34 Insurance Contracts (continued)

The concentration of insurance risks after reinsurance with reference to the carrying amount of the insurance liabilities is in four classes of business namely motor vehicles, heavy equipment, fire and fire major risks and marine cargo.

The insurance business is not a significant activity of the Group.

35 Cash Flows from Operating Activities

	Group	
	2015 US$m	2014 US$m
Profit before tax	**1,615.6**	2,339.2
Adjustments for:		
Financing income	**(84.1)**	(102.0)
Financing charges	**105.1**	117.0
Share of associates' and joint ventures' results after tax	**(471.1)**	(576.2)
Depreciation of property, plant and equipment	**520.7**	582.7
Amortisation of leasehold land use rights and intangible assets	**95.9**	94.7
Fair value (gain)/loss of:		
- plantations	**28.4**	34.1
- investment properties	**(33.6)**	(35.6)
- contingent consideration	**(41.9)**	-
Impairment of:		
- property, plant and equipment	**371.2**	230.9
- intangible assets	**16.1**	-
- debtors	**105.8**	128.6
(Profit)/loss on disposal of:		
- leasehold land use rights	**(1.1)**	(0.5)
- property, plant and equipment	**(8.6)**	(22.7)
- investment properties	**(0.1)**	-
- plantations	**3.1**	4.3
- associate and joint venture	**-**	(2.2)
- investments	**(6.2)**	(19.7)
Loss on disposal/write-down of repossessed assets	**66.9**	52.1
Write-down of stocks	**19.9**	20.5
Changes in provisions	**29.7**	24.4
Foreign exchange (gain)/loss	**49.6**	26.6
	765.7	557.0
Operating profit before working capital changes	**2,381.3**	2,896.2
Changes in working capital		
Stocks	**(210.0)**	(350.0)
Financing debtors	**(30.2)**	(613.2)
Debtors	**175.8**	(340.7)
Creditors	**49.7**	179.2
Pensions	**26.4**	22.8
	11.7	(1,101.9)
Cash flows from operating activities	**2,393.0**	1,794.3

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2015

36 Notes to Consolidated Statement of Cash Flows

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:

	Group	
	2015 US$m	2014 US$m
Bank balances and other liquid funds (Note 21)	**2,175.1**	1,772.0
Bank overdrafts (Note 24)	**(2.1)**	(13.9)
	2,173.0	1,758.1

(a) Purchase of subsidiaries

In 2015, Astra acquired new subsidiaries for US$60.6 million (2014: US$26.4 million). This comprised net cash outflow of US$56.8 million for a 50.1% interest in PT Acset Indonusa Tbk, an Indonesian listed company which operates a construction business, US$2.4 million for a 75.5% interest in PT Sumbawa Jutaraya, a gold mining company, and US$1.4 million representing further payments made in relation to an acquisition of a coal mining business in 2012.

The acquisitions in 2014 comprised net cash outflow of US$26.0 million for a 100% interest in PT Palma Plantasindo, an oil palm plantation company, and US$0.4 million representing further payments for the coal mining business acquisition.

Revenue and profit after tax since acquisition in respect of new subsidiaries acquired in 2015 amounted to US$100.8 million and US$2.8 million, respectively. Had the acquisitions occurred on 1st January 2015, consolidated revenue and consolidated profit after tax for the year ended 31st December would have been US$15,718.3 million and US$1,277.7 million, respectively.

	2015 Fair value US$m	2014 Fair value US$m
Intangible assets (Note 10)	**1.6**	-
Leasehold land use rights (Note 11)	**4.0**	2.5
Property, plant and equipment (Note 12)	**30.5**	1.5
Plantations (Note 14)	**-**	27.0
Stocks	**0.9**	-
Debtors	**87.2**	-
Bank balances and other liquid funds	**3.7**	-
Non-current borrowings	**(3.3)**	-
Deferred tax liabilities (Note 25)	**(4.1)**	-
Current borrowings	**(13.6)**	-
Creditors	**(48.3)**	(5.0)
Net assets	**58.6**	26.0
Adjustment for non-controlling interests	**(28.4)**	-
Goodwill	**32.7**	-
Total consideration	**62.9**	26.0
Adjustment for contingent consideration	**1.4**	0.4
Cash paid for business combination	**64.3**	26.4
Cash and cash equivalents of subsidiaries acquired	**(3.7)**	-
Net cash flow from business combination	**60.6**	26.4

36 Notes to Consolidated Statement of Cash Flows (continued)

(b) Purchase of shares in associates and joint ventures

Purchase of shares in associates and joint ventures in 2015 included US$619.0 million for a 24.9% investment in Siam City Cement Public Company Limited, US$64.7 million for a 25% investment in PT Trans Marga Jateng, a toll road operator, and US$14.9 million for capital injection into PT Isuzu Astra Motor Indonesia.

Purchase of shares in associates and joint ventures in 2014 included US$56.2 million for Astra's subscription of PT Bank Permata Tbk's rights issue, and US$24.9 million for capital injection into PT Aisin Indonesia.

(c) Sale of subsidiaries

In 2015, Astra received US$0.7 million (2014: US$0.7 million) as deferred consideration for the sale of a subsidiary in 2010.

(d) Changes in controlling interests of subsidiaries

Change in controlling interests of subsidiaries in 2015 comprised an outflow of US$0.4 million arising from Astra's increase in shareholding from 75.5% to 80% in PT Sumbawa Jutaraya.

Change in controlling interests of subsidiaries in 2014 comprised an inflow of US$184.6 million arising from the sale by Astra of a 25% interest in PT Astra Sedaya Finance to its joint venture PT Bank Permata Tbk, reducing its direct interest to 75%, and an outflow of US$5.0 million arising from Astra's increase in shareholding from 95% to 100% in PT Marga Harjaya Infrastruktur.

37 Segment Information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board for the purpose of resource allocation and performance assessment. The Board considers Astra as one operating segment because it represents a single direct investment made by the Company. Decisions for resource allocation and performance assessment of Astra are made by the JC&C Board while resource allocation and performance assessment of the various Astra businesses are made by the board of Astra, taking into consideration the opinions of the JC&C Board. Direct Motor Interests are aggregated into one reportable segment based on the similar automotive nature of their products and services, while Other Interests, comprising the Group's strategic investment portfolio, are aggregated into another reportable segment based on their exposure to market-leading companies in key regional economies. Set out below is an analysis of the segment information.

37 Segment Information (continued)

	Astra US$m	Direct motor interests US$m	Other interests US$m	Corporate costs US$m	Group US$m
2015					
Revenue	**13,702.2**	**2,016.1**	**-**	**-**	**15,718.3**
Net operating costs	**(12,598.7)**	**(1,945.2)**	**-**	**(8.9)**	**(14,552.8)**
Operating profit	**1,103.5**	**70.9**	**-**	**(8.9)**	**1,165.5**
Financing income	**83.4**	**0.4**	**-**	**0.3**	**84.1**
Financing charges	**(101.8)**	**(0.4)**	**-**	**(2.9)**	**(105.1)**
Net financing charges	**(18.4)**	**-**	**-**	**(2.6)**	**(21.0)**
Share of associates' and joint ventures' results after tax	**302.5**	**136.8**	**31.8**	**-**	**471.1**
Profit before tax	**1,387.6**	**207.7**	**31.8**	**(11.5)**	**1,615.6**
Tax	**(319.6)**	**(14.4)**	**(1.8)**	**(0.2)**	**(336.0)**
Profit after tax	**1,068.0**	**193.3**	**30.0**	**(11.7)**	**1,279.6**
Non-controlling interests	**(581.8)**	**(9.7)**	**-**	**-**	**(591.5)**
Profit attributable to shareholders	**486.2**	**183.6**	**30.0**	**(11.7)**	**688.1**
Non-trading items	**(9.7)**	**(42.5)**	**-**	**1.6**	**(50.6)**
Underlying profit attributable to shareholders	**476.5**	**141.1**	**30.0**	**(10.1)**	**637.5**
Net cash (excluding net debt of financial services companies)	**75.0**	**42.4**	**-**	**137.5**	**254.9**
Total equity	**9,754.4**	**478.2**	**627.8**	**148.1**	**11,008.5**
2014					
Revenue	16,995.4	1,680.0	-	-	18,675.4
Net operating costs	(15,254.1)	(1,629.3)	-	(14.0)	(16,897.4)
Operating profit	1,741.3	50.7	-	(14.0)	1,778.0
Financing income	101.7	0.3	-	-	102.0
Financing charges	(115.7)	(0.5)	-	(0.8)	(117.0)
Net financing charges	(14.0)	(0.2)	-	(0.8)	(15.0)
Share of associates' and joint ventures' results after tax	529.1	47.1	-	-	576.2
Profit before tax	2,256.4	97.6	-	(14.8)	2,339.2
Tax	(468.3)	(10.3)	-	(0.2)	(478.8)
Profit after tax	1,788.1	87.3	-	(15.0)	1,860.4
Non-controlling interests	(1,035.2)	(5.0)	-	-	(1,040.2)
Profit attributable to shareholders	752.9	82.3	-	(15.0)	820.2
Non-trading items	(28.9)	-	-	1.5	(27.4)
Underlying profit attributable to shareholders	724.0	82.3	-	(13.5)	792.8
Net cash/(debt) (excluding net debt of financial services companies)	(266.4)	60.0	-	(32.7)	(239.1)
Total equity	10,373.9	382.5	-	42.2	10,798.6

Segment assets and liabilities are not disclosed as these are not regularly provided to the Board.

37 Segment Information (continued)

Set out below are analyses of the Group's revenue and non-current assets, by geographical areas:

	Indonesia US$m	Others US$m	Total US$m
2015			
Revenue	**13,702.2**	**2,016.1**	**15,718.3**
Non-current assets	**7,759.5**	**955.9**	**8,715.4**
2014			
Revenue	16,995.4	1,680.0	18,675.4
Non-current assets	8,580.8	243.6	8,824.4

Non-current assets excluded financial instruments and deferred tax assets. Indonesia is disclosed separately as a geographical area as most of the customers are based in Indonesia.

38 Immediate and Ultimate Holding Companies

The Company's immediate holding company is Jardine Strategic Singapore Pte Ltd, incorporated in Singapore and its ultimate holding company is Jardine Matheson Holdings Limited, incorporated in Bermuda.

39 Reclassification of Accounts

Certain comparative amounts have been reclassified for consistency with the presentation of the 2015 consolidated financial statements. The reclassification has no material impact to the Group.

40 Subsequent Events

In February 2016, the Group acquired an additional 3 million shares in Refrigeration Electrical Engineering Corporation ("REE") for a cash consideration of approximately US$3.7 million. With the acquisition, the Group's interest in REE increased from 21.78% to 22.87%.

41 Principal Subsidiaries, Associates and Joint Ventures

The details of principal subsidiaries are as follows:

Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2015 %	2014 %
Singapore				
• Cycle & Carriage Industries Pte Ltd	Retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
• Cycle & Carriage Automotive Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
• Cycle & Carriage Kia Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
• Cycle & Carriage France Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
• Diplomat Parts Pte Ltd	Investment holding and sale of vehicle parts	Singapore	**100.0**	100.0
• Republic Auto Pte Ltd	Retail and leasing of vehicles	Singapore	**70.0**	70.0
Malaysia				
◆ Cycle & Carriage Bintang Berhad (Quoted on Bursa Malaysia)	Retail of vehicles and provision of after-sales services	Malaysia	**59.1**	59.1
Indonesia				
◆ PT Astra International Tbk (Quoted on the Indonesia Stock Exchange)	Investment holding and retail of vehicles and motorcycles	Indonesia	**50.1**	50.1
◆ PT United Tractors Tbk (Quoted on the Indonesia Stock Exchange)#	Distribution of heavy equipment	Indonesia	**29.8**	29.8
◆ PT Pamapersada Nusantara	Coal mining contractor	Indonesia	**29.8**	29.8
◆ PT Astra Otoparts Tbk (Quoted on the Indonesia Stock Exchange)#	Manufacturing and distribution of automotive components	Indonesia	**40.1**	40.1
◆ PT Astra Agro Lestari Tbk (Quoted on the Indonesia Stock Exchange)#	Operation of oil palm plantations	Indonesia	**39.9**	39.9
◆ PT Federal International Finance#	Consumer finance for motorcycles	Indonesia	**50.1**	50.1
◆ PT Astra Graphia Tbk (Quoted on the Indonesia Stock Exchange)#	Provision of document, information and communication technology solutions	Indonesia	**38.5**	38.5

41 Principal Subsidiaries, Associates and Joint Ventures (continued)

The details of principal associates and joint ventures are as follows:

Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2015 %	2014 %
Indonesia				
◆ PT Astra Honda Motor	Manufacturing, assembly, and distribution of Honda motorcycles	Indonesia	**25.1**	25.1
◆ PT Toyota-Astra Motor*	Distribution of Toyota vehicles	Indonesia	**25.6**	25.6
◆ PT Astra Daihatsu Motor	Manufacturing, assembly and distribution of Daihatsu vehicles	Indonesia	**16.0**	16.0
+ PT Bank Permata Tbk (Quoted on the Indonesia Stock Exchange)	Commercial and retail bank	Indonesia	**22.3**	22.3
◆ PT Tunas Ridean Tbk (Quoted on the Indonesia Stock Exchange)	Retail of vehicles and motorcycles, leasing of vehicles and provision of consumer finance services	Indonesia	**43.8**	43.8
Vietnam				
@ Truong Hai Auto Corporation	Assembly, distribution and retail of vehicles	Vietnam	**27.1**	29.5
@ Refrigeration Electrical Engineering Corporation	Mechanical and electrical engineering, real estate, and strategic investments in infrastructure	Vietnam	**21.8**	18.6
Myanmar				
√ Cycle & Carriage Automobile Myanmar Company Limited*	Provision of after-sales services	Myanmar	**60.0**	60.0
Thailand				
^ Siam City Cement Public Company Limited	Manufacturing of cement, concrete and other building materials	Thailand	**24.9**	-

• Audited by PricewaterhouseCoopers LLP, Singapore.
◆ Audited by Tanudiredja, Wibisana & Rekan in Indonesia and PricewaterhouseCoopers, Malaysia, members of the worldwide PricewaterhouseCoopers organisation.
+ Audited by Siddharta Widjaja & Rekan in Indonesia, a member of the worldwide KPMG organisation.
@ Audited by EY Vietnam, a member of the worldwide EY organisation.
√ Audited by Win Thin & Associates in Myanmar.
^ Audited by EY Thailand, a member of the worldwide EY organisation.
# Direct interest more than 50%.
* Not consolidated as the entity is not controlled by the Group and is deemed to be a joint venture as the Group shares control of the entity.

THREE YEAR SUMMARY

	2015 US$m	2014 US$m	2013 US$m	**2015 S$m**	2014 S$m	2013 S$m
Profit and Loss						
Revenue	**15,718.3**	18,675.4	19,787.8	**21,665.3**	23,708.4	24,811.4
Underlying profit attributable to shareholders	**637.5**	792.8	894.1	**878.7**	1,006.6	1,121.1
Non-trading items	**50.6**	27.4	20.9	**71.3**	34.7	26.3
Profit attributable to shareholders	**688.1**	820.2	915.0	**950.0**	1,041.3	1,147.4
Underlying earnings per share (US¢/S¢)*	**169**	217	244	**232**	275	306
Earnings per share (US¢/S¢)*	**182**	224	250	**251**	285	314
Dividend per share (US¢/S¢)	**69**	85	108	**97**	111	135
Balance Sheet						
Total assets	**20,107.5**	20,622.1	19,209.9	**28,439.9**	27,231.4	24,312.1
Total liabilities	**(9,099.0)**	(9,823.5)	(9,326.9)	**(12,869.5)**	(12,971.9)	(11,804.1)
Total equity	**11,008.5**	10,798.6	9,883.0	**15,570.4**	14,259.5	12,508.0
Shareholders' funds	**5,266.9**	4,623.2	4,261.1	**7,449.5**	6,105.0	5,393.0
Net cash/(debt) (excluding net debt of financial services companies)	**254.9**	(239.1)	(303.4)	**360.5**	(315.7)	(384.0)
Net asset value per share (US$/S$)*	**13.33**	12.63	11.64	**18.85**	16.68	14.74
Net tangible asset per share (US$/S$)*	**11.23**	11.56	10.55	**15.88**	15.27	13.35
Cash Flow						
Cash flows from operating activities	**1,876.9**	1,239.9	1,930.8	**2,587.0**	1,574.0	2,421.0
Cash flows used in investing activities	**(1,160.6)**	(834.3)	(838.1)	**(1,599.7)**	(1,059.1)	(1,050.9)
Net cash flows before financing activities	**716.3**	405.6	1,092.7	**987.3**	514.9	1,370.1
Cash flow per share from operating activities (US$/S$)*	**5.0**	3.4	5.3	**6.8**	4.3	6.6
Key Ratios						
Gearing including financial services companies	**27%**	36%	38%	**27%**	36%	38%
Gearing excluding financial services companies	**na**	2%	3%	**na**	2%	3%
Dividend cover (times)	**2.3**	2.6	2.3	**2.3**	2.6	2.3
Dividend payout	**43%**	38%	43%	**43%**	39%	43%
Return on shareholders' funds	**13%**	18%	20%	**13%**	18%	20%
Return on total equity	**11%**	18%	20%	**11%**	17%	20%

* restated for 2014 and 2013 due to rights issue completed in 2015

Notes :

1. The exchange rate of US$1=S$1.4144 (2014: US$1=S$1.3205, 2013: US$1=S$1.2656) was used for translating assets and liabilities at the balance sheet date and US$1=S$1.3784 (2014: US$1=S$1.2695, 2013: US$1=S$1.2539) was used for translating the results for the year.
2. Net tangible assets as at 31.12.15 were US$4,437.5 million (2014: US$4,231.3 million, 2013: US$3,860.0 million) and were computed after deducting intangibles from shareholders' funds.
3. Gearing is computed based on net borrowings divided by total equity.
4. Dividend cover is based on underlying profit attributable to shareholders divided by dividend declared and dividend proposed for the financial year.
5. Dividend payout is based on dividend declared and dividend proposed for the financial year divided by underlying profit attributable to shareholders.
6. Return on shareholders' funds is computed based on underlying profit attributable to shareholders, divided by average shareholders' funds.
7. Return on total equity is computed based on underlying profit after tax, divided by average total equity.

INVESTMENT PROPERTIES

Address	Title	Land area sq ft	Description
Indonesia			
Jalan Gaya Motor II No. 1 Jakarta	Leasehold (20 years wef 2012)	424,626	Warehouse
Jalan Gaya Motor II No. 3 Jakarta	Leasehold (20 years wef 2012)	237,446	Vehicle storage yard
Jalan Jendral Sudirman Kav. 5 Jakarta	Leasehold (20 years wef 2013)	85,356	Under development commercial property

USE OF PROCEEDS

As at 21st March 2016, the status on the use of proceeds raised from the Company's rights issue is as follows:

	Allocation (S$m)	Utilisation (S$m)	Amount yet to be utilised (S$m)
Repayment of term loans used to fund the investment in Siam City Cement Public Company Limited (approximately 81%)	844	844	-
Repayment of certain short-term indebtedness (approximately 6%)	65	65	-
For general corporate purposes, including making strategic investments and/or acquisitions (approximately 12%)	113	-	113
Rights issue expenses (approximately 1%)	6	6	-
Gross proceeds from rights issue	1,028	915	113

The above utilisation is in accordance with the intended use of proceeds and with the percentage allocated as stated in the Offer Information Statement dated 29th June 2015, registered by the Company with the Monetary Authority of Singapore.

SHAREHOLDING STATISTICS

As at 9th March 2016

Share Capital

Issued and fully paid-up capital : S$2,109,793,690.61 comprising 395,236,288 shares
Class of shares : Ordinary shares, each with equal voting rights

TWENTY LARGEST SHAREHOLDERS

No.	Name of shareholder	No. of shares	% of issued share capital
1	Jardine Strategic Singapore Pte Ltd	296,427,311	75.00
2	DBS Nominees Pte Ltd	31,804,608	8.05
3	Citibank Nominees Singapore Pte Ltd	22,117,223	5.60
4	DBSN Services Pte Ltd	7,628,379	1.93
5	HSBC (Singapore) Nominees Pte Ltd	6,976,263	1.76
6	United Overseas Bank Nominees Pte Ltd	6,350,304	1.61
7	BNP Paribas Securities Services	2,196,302	0.55
8	Raffles Nominees (Pte) Ltd	1,885,173	0.48
9	Mrs Chua Boon Unn Nee Fong Lai Wah	1,543,536	0.39
10	Hong Leong Finance Nominees Pte Ltd	842,005	0.21
11	Estate of Chua Boon Yew, Deceased	827,444	0.21
12	Chua Swee Eng	674,930	0.17
13	First Cuscaden Private Limited	621,059	0.16
14	UOB Kay Hian Pte Ltd	588,253	0.15
15	Song Mei Cheah Angela	540,000	0.14
16	Kew Estate Limited	490,000	0.12
17	Yeo Realty & Investments (Pte) Ltd	309,841	0.08
18	Chee Bay Hoon Realty Pte Ltd	220,327	0.06
19	Over-All Investments Pte Ltd	201,194	0.05
20	Bank of Singapore Nominees Pte Ltd	174,479	0.04
	TOTAL	**382,418,631**	**96.76**

As at 9th March 2016, approximately 25% of the Company's ordinary shares (excluding treasury shares) listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") were held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

SHAREHOLDING STATISTICS

As at 9th March 2016

Substantial Shareholders

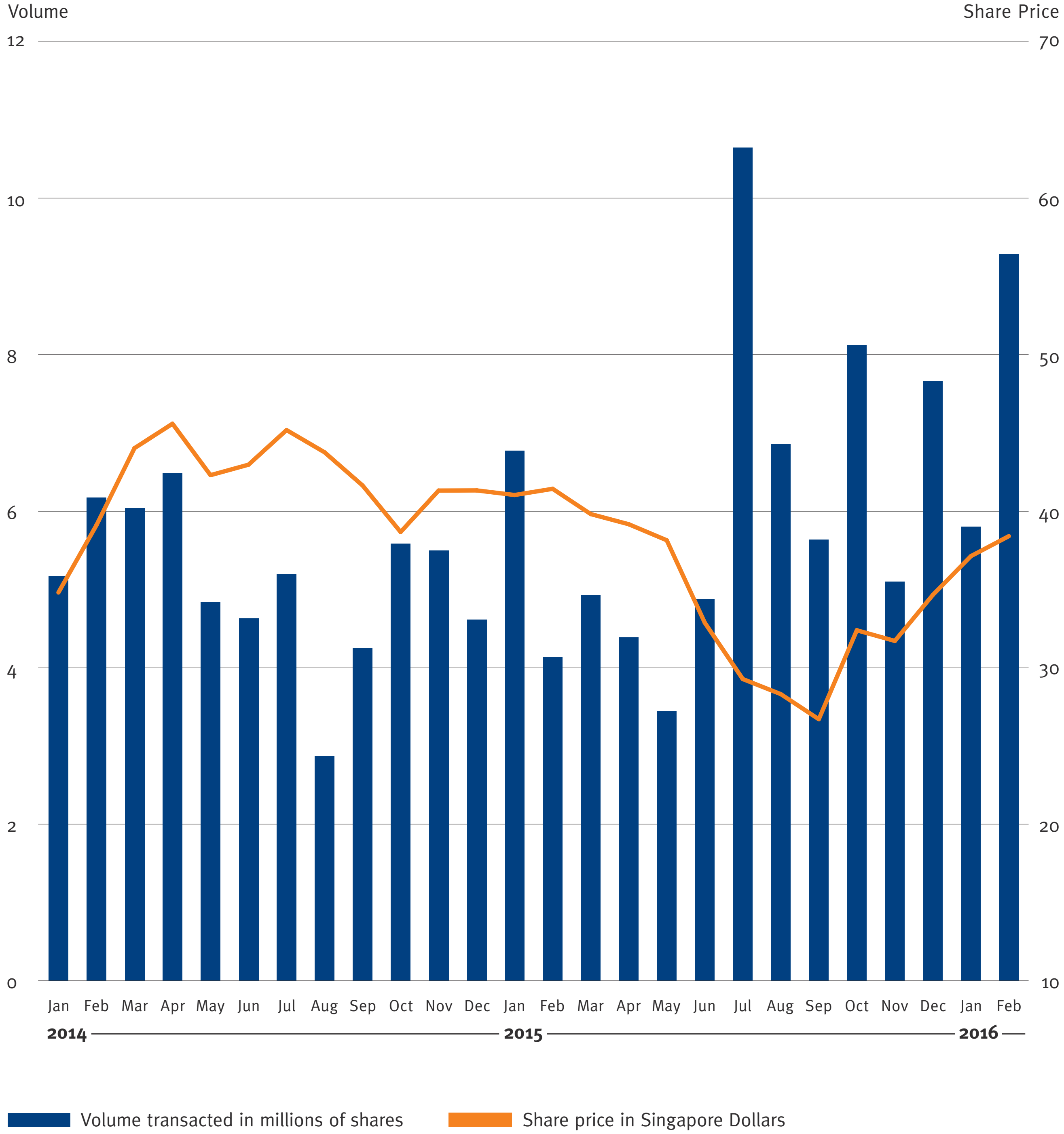
Name of shareholder	No. of shares	%
Jardine Strategic Holdings Limited*	296,427,311 shares	75.00%

* Jardine Strategic Holdings Limited ("JSHL") is interested in 296,427,311 shares through its wholly-owned subsidiary, JSH Asian Holdings Limited ("JAHL"). JAHL is in turn interested in the said shares through its wholly-owned subsidiary, Jardine Strategic Singapore Pte Ltd. By virtue of Jardine Matheson Holdings Limited's ("JMH") interests in JSHL through its wholly-owned subsidiary, JMH Investments Limited ("JMHI"), JMH and JMHI are also deemed to be interested in the said shares.

Breakdown of Shareholdings by Range

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares	% of issued share capital
1 - 99	617	16.59	13,676	0.00
100 - 1,000	1,316	35.40	657,107	0.17
1,001 - 10,000	1,511	40.64	4,808,996	1.22
10,001 - 1,000,000	265	7.13	12,827,410	3.24
1,000,001 and above	9	0.24	376,929,099	95.37
TOTAL	**3,718**	**100.00**	**395,236,288**	**100.00**

SHARE PRICE AND VOLUME



	2015	2014
Underlying earnings per share (USc)	**169**	217
Earnings per share (USc)	**182**	224
Dividend per share (USc)	**69**	85
Net asset value per share (US$)	**13.33**	12.63

NOTICE IS HEREBY GIVEN THAT the 47th Annual General Meeting of the Company will be held at Atrium Suite, Lobby Level, Mandarin Oriental, Singapore, 5 Raffles Avenue, Singapore 039797 on Thursday, 28th April 2016 at 11.30 a.m. for the following purposes:

As Ordinary Business:

1. To receive and adopt the Audited Financial Statements and the Directors' Statement for the year ended 31st December 2015 together with the Auditors' Report.

2. To approve the payment of a final one-tier tax exempt dividend of US$0.51 per share for the year ended 31st December 2015 as recommended by the Directors.

3. To approve the payment of Directors' fees of up to S$1,182,000 for the year ending 31st December 2016. (2015: S$988,000).

4. To re-elect the following Directors retiring pursuant to Article 94 of the Constitution of the Company:

   a. Mr. Anthony Nightingale;
   b. Mr. Chang See Hiang;
   c. Mr. Hassan Abas; and
   d. Mr. Michael Kok.

5. To re-elect Mr. Adrian Teng, a Director retiring pursuant to Article 99 of the Constitution of the Company.

6. To authorise Mr. Boon Yoon Chiang, a Director retiring under the resolution passed at last year's Annual General Meeting pursuant to Section 153(6) of the Companies Act, Cap. 50 (which was then in force), to continue to act as a Director of the Company from the date of this Annual General Meeting.

7. To re-appoint PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration.

As Special Business:

8. To consider and, if thought fit, to pass with or without any amendments the following resolutions, of which Resolutions 8A, 8B and 8C will be proposed as Ordinary Resolutions and Resolution 8D will be proposed as a Special Resolution:

Renewal of the Share Issue Mandate

8A. "That authority be and is hereby given to the Directors of the Company to:

a. i. issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

ii. make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

b. (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

1. the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) (as calculated in accordance with sub-paragraph 2 below), of which the aggregate number of shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares) (as calculated in accordance with sub-paragraph 2 below);

NOTICE OF ANNUAL GENERAL MEETING

As Special Business: (continued)

2. (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph 1 above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) at the time of the passing of this Resolution, after adjusting for:

   a. new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

   b. any subsequent bonus issue, consolidation or subdivision of shares;

3. in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution for the time being of the Company; and

4. (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

Renewal of the Share Purchase Mandate

8B. "That:

a. for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50 (the "**Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

   i. market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

   ii. off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

b. unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

   i. the date on which the next Annual General Meeting of the Company is held; or

   ii. the date by which the next Annual General Meeting of the Company is required by law to be held;

As Special Business: (continued)

c. in this Resolution:

"**Prescribed Limit**" means that number of issued Shares representing 10% of the issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares); and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

i. in the case of a Market Purchase, 105% of the Average Closing Price; and

ii. in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price,

where:

"**Average Closing Price**" is the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, preceding the day of the Market Purchase, as deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Day period;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

"**day of the making of the offer**" means the day on which the Company makes an offer for the purchase 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; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

d. the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."

Renewal of the General Mandate for Interested Person Transactions

8C. "That:

a. approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in Appendix B of the Company's letter to shareholders dated 6th April 2016 (the "**Letter**"), with any party who is of the classes of Interested Persons described in Appendix B of the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for Interested Person Transactions (the "**IPT Mandate**");

b. the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

c. the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution."

Adoption of the new Constitution

8D. "That the regulations contained in the new Constitution submitted to this Meeting and, for the purpose of identification, subscribed to by the Company Secretary be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution."

By Order of the Board

Ho Yeng Tat
Group Company Secretary

Singapore, 6th April 2016

Notes:

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a member of the Company. An instrument appointing a proxy must be deposited at the office of the share registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, not less than 48 hours before the time for holding the Annual General Meeting or any adjournment thereof.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Statement pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited

Mr. Hassan Abas and Mr. Chang See Hiang will continue as Chairman and member of the Company's Audit Committee respectively upon their re-election as Directors of the Company. Both are independent Directors.

Additional information for items under the heading "As Ordinary Business"

a. Item 3 is to request shareholders' approval for payment of Directors' fees (including benefits-in-kind) on a current year basis, calculated taking into account the number of scheduled Board and committee meetings for 2016 and assuming that all non-executive Directors will hold office for the full year. In the event the Directors' fees proposed for 2016 are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at next year's Annual General Meeting for additional fees to meet the shortfall. The increase in Directors' fees payable for the year ending 31st December 2016 is to bring them more in line with market practice for similar sized companies and to enable the Company to continue to attract and retain qualified and effective non-executive directors. The Directors' fees were last reviewed in 2012. Information on the revision to the Directors' fees are set out in the Company's Corporate Governance Report at page 30 of the Annual Report 2015.

b. Key information on the Directors to be re-elected are set out in pages 22 to 24 of the Annual Report 2015.

c. Item 6 is to authorise the continuation of Mr. Boon Yoon Chiang in office, as a Director of the Company, from the date of this Annual General Meeting onwards without limitation in tenure save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution. Item 6 is consequent upon the repeal of Section 153 of the Companies Act, Cap. 50 with effect from 3rd January 2016. The resolution passed pursuant to Section 153(6) at last year's Annual General Meeting (as Section 153 was then in force) could only permit the authorisation for Mr. Boon Yoon Chiang, being over 70 years of age, to continue to act as a Director of the Company, until this Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Statement pursuant to Article 54 of the Constitution of the Company
The effects of the resolutions under the heading "As Special Business" are:

a. Ordinary Resolution No. 8A is to renew effective until the next Annual General Meeting, the Share Issue Mandate to allow the Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the issued shares (excluding treasury shares) of the Company, of which up to 20% may be issued other than on a *pro-rata* basis to shareholders. For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) of the Company at the time that this Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that this Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

b. Ordinary Resolution No. 8B is to renew effective until the next Annual General Meeting, the Share Purchase Mandate for the Company to make purchases or acquisitions of its issued ordinary shares. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its shares. For illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company, of 10% of its issued ordinary shares as at 9th March 2016, at a purchase price equivalent to the Maximum Price per share, in the case of a Market Purchase and an Off-Market Purchase respectively, based on the audited accounts of the Group and the Company for the financial year ended 31st December 2015, and certain other assumptions, are set out in the Company's letter to shareholders dated 6th April 2016 accompanying the Annual Report 2015.

c. Ordinary Resolution No. 8C is to renew effective up to the next Annual General Meeting, the General Mandate for Interested Person Transactions to enable the Company, its subsidiaries and associated companies that are considered "entities at risk" to enter in the ordinary course of business into certain types of transactions with specified classes of the Company's interested persons. Particulars of the IPT Mandate, and the Audit Committee's confirmation in support of the renewal of the IPT Mandate, are set out in the Company's letter to shareholders dated 6th April 2016 accompanying the Annual Report 2015.

d. Special Resolution No. 8D is to adopt a new Constitution in substitution for, and replacement of, the Company's existing Constitution. The new Constitution contains regulations that take into account the wide-ranging changes to the Companies Act, Cap. 50 introduced by the Companies (Amendment) Act 2014 and other updates to the regulatory framework. Please refer to the Company's letter to shareholders dated 6th April 2016 accompanying the Annual Report 2015 for more details.

Please cut proxy form here

PROXY FORM

The Group Company Secretary
Jardine Cycle & Carriage Limited
c/o M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

IMPORTANT:
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy **Jardine Cycle & Carriage Limited** shares, this Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6th April 2016.

I/We ____________________ (NRIC/Passport/UEN No.) ____________

of ____________________

being a member/members of Jardine Cycle & Carriage Limited (the "**Company**") hereby appoint the following person(s):

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

as my/our proxy/proxies to attend, speak and to vote for me/us on my/our behalf at the 47th Annual General Meeting of the Company to be held at Atrium Suite, Lobby Level, Mandarin Oriental, Singapore, 5 Raffles Avenue, Singapore 039797 on Thursday, 28th April 2016 at 11.30 a.m. and at any adjournment thereof.

(Voting will be conducted by poll. Please indicate with an "X" in the spaces provided if you wish all your votes to be cast "For" or "Against" the resolutions to be proposed at the Annual General Meeting **(of which items 1 to 7 and Resolutions No. 8A to 8C (inclusive) will be proposed as Ordinary Resolutions and Resolution No. 8D will be proposed as a Special Resolution)** as indicated hereunder. Alternatively, please indicate the number of votes as appropriate. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

Ordinary Business	For	Against
1. Adoption of Audited Financial Statements, Directors' Statement and Auditors' Report		
2. Declaration of Final Dividend		
3. Approval of Directors' Fees for the year ending 31st December 2016		
4. Re-election of the following Directors retiring pursuant to Article 94:		
a. Mr. Anthony Nightingale		
b. Mr. Chang See Hiang		
c. Mr. Hassan Abas		
d. Mr. Michael Kok		
5. Re-election of Mr. Adrian Teng, a Director retiring pursuant to Article 99		
6. Authorisation for Mr. Boon Yoon Chiang to continue as Director		
7. Re-appointment of PricewaterhouseCoopers LLP as Auditors		

PROXY FORM

Special Business	For	Against
8. A. Renewal of the Share Issue Mandate		
B. Renewal of the Share Purchase Mandate		
C. Renewal of the General Mandate for Interested Person Transactions		
D. Adoption of the New Constitution		

Date this .... day of .... 2016.

Total number of shares held

....
Signature(s) of Member(s) or Common Seal

Important: Please Read Notes Below

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by the member.

2. (a) A member of the Company who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

3. A proxy need not be a member of the Company.

4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Annual General Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the office of the share registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, not less than 48 hours before the time appointed for the Annual General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its officer or attorney duly authorised.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.