Bintan Inti Executive Village
Batamindo Executive Village
4000 hectare industrial land
Bintan Industrial Estate
Batamindo Industrial Park
BATAM
BINTAN
Hotels and Resorts
Commercial and Residential Projects
Master planner and development
Lagoi Bay development
INDONESIA
Power Generation Facilities
Telecommunications
Clean Water
Sole agency
Vehicle Assembly
Distribution
After-sales Service
Low Cost Green Cars
IMAS
Integrated Automotive Group
Trucks
Parts Distribution
Cars
Forklifts
JAKARTA
Hospitality
Holidays
Bintan Airport
Award-winning golf courses
21,000 hectare land bank
Ferries
Bintan Resorts
ISO 14001
ISO 9001:2000

GALLANT VENTURE

Realising Indonesia Focused Strategies

Annual Report 2014

With vision and perseverance, we have successfully developed Batam and Bintan into an investment and tourist destination offering integrated businesses and services such as industrial parks, utilities, property development, and resort operations. Continuously expanding our product offering, Lagoi Bay Development is our latest integrated project with resorts/hotels, commercial activities and residential plots in Bintan. Progressive completion of the Lagoi Bay project will bring our Bintan Resorts to new heights and significantly enhance the business prospects on the island. On a separate note, the Group has successfully integrated with its newly acquired automotive arm – PT Indomobil Sukses Internasional Tbk ("IMAS"). IMAS is one of the two largest integrated automotive groups in Indonesia, managing brands such as Nissan, Hino, Volvo, Volkswagen, Renault Trucks and so on. With IMAS, the Group has deepened its roots into Indonesia and diversified the Group's portfolio from a single location-focused business to a country-focused investment holding company.

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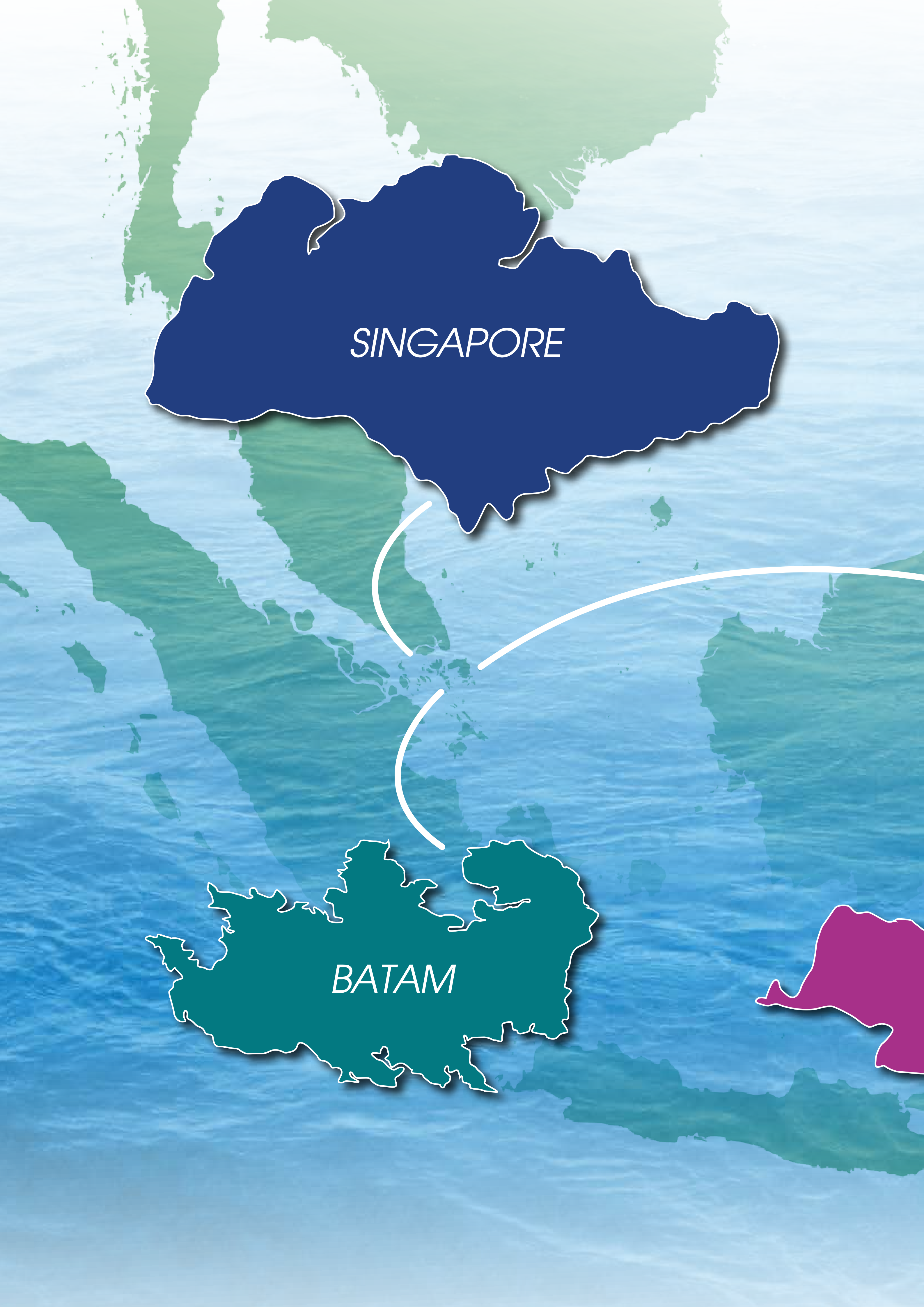
CORPORATE PROFILE

Gallant Venture Ltd. is an Indonesia focused investment holding company headquartered in Singapore. We are an integrated automotive group with coverage across Indonesia and master planner for industrial parks and resorts in Batam and Bintan.

Since our establishment in the 1990s, we have been an important innovator in four key business segments – utilities, industrial parks, resort operations and property development. Our businesses are well-positioned to leverage on the strategic proximity of Singapore and the strategic alliance between the Singapore and Indonesia governments.

Our landmark development projects include the Batamindo Industrial Park, the Bintan Industrial Estate and Bintan Resorts, with more prime developments in the pipeline slated for completion in the near future.


SINGAPORE
BATAM

OUR PRESENCE

GALLANT VENTURE LTD. is headquartered in Singapore which aims to maximise shareholders' value. Its strategy is to build a diversified Indonesia focused portfolio. Its investments in Batam and Bintan, located just across the Singapore Straits, leverage on strategic alliance between Singapore and Indonesia Governments. With well planned co-development of the region, we are pleased to witness the transformation of both islands from a fishing village into an industrial and resorts island having a combined population of around 1.8 million.

In 2013, the Company has ventured into automotive sector in Indonesia region to tap into the growing demand of vehicle sales which have doubled from approximately 600,000 units to approximately 1.2 million units in 2013. Gallant Venture acquired 71.49% of IMAS, one of the two largest integrated automotive business groups in Indonesia. IMAS has comprehensive expertise across automotive business included holding sole agent brand, vehicles assembly and distribution of vehicle sales including heavy equipment, after-sales services, vehicle assembly, and manufacturing of automotive parts/components with further interest in financial services.


HINO


DATSUN
GO+
PANCA

AUTOMOTIVE

Gallant Venture engages in the automotive industry. Our business activities comprise financial services, assembling and distributing automobiles, buses, trucks and heavy equipment as well as their related parts/ components.

One of the two largest integrated automotive business groups in Indonesia, its primary business line covers sole agencies, vehicle sales distribution, after sales service, vehicle ownership financing, spare part distribution under the "IndoParts" brand, vehicle assembly, automotive parts/ components manufacturing and other related supporting services. IMAS manages well-known international brands such as Audi, Foton, Hino, Kalmar, Manitou, Nissan, Renault, Renault Trucks, Suzuki, Volkswagen, Volvo, Volvo Trucks, and Mack Trucks and has well-distributed sales and after-sales branch networks to capture higher sales penetration across Indonesia.


GRAND LAGOI

PROPERTY DEVELOPMENT

Gallant Venture is the master planner and infrastructure provider in Batam and Bintan. It master planned land parcels for industrial, commercial, residential and resort projects on the Group's land banks in Bintan of approximately 18,000 hectares.

Located in Northern Bintan, Lagoi Bay development is earmarked as an integrated resort development. Measuring approximately 1,300 hectares, its features when completed will include resorts, residential sites, shopping malls, restaurants entertainment, and sea-sport facilities. Some of the investors of Lagoi Bay include the world's leading resorts such as Alila Villas, The Sanchaya, Grand Lagoi Swiss-Belhotel, and Treasure Bay.

On completion of Phase 1, it will add over 150 new businesses, 10 new hotel properties, condominiums and housing compounds, contributing more than 3,000 keys to Bintan Resorts' current 1,500 key count.


WISMA
BATAMINDO


BINTAN
INDUSTRIAL ESTATE
WISMA

INDUSTRIAL PARKS

Gallant Venture owns and manages the Batamindo Industrial Park in Batam and the Bintan Industrial Estate in Bintan. We offer the convenience of one-stop manufacturing environment with ready access to Singapore's financial, infrastructure and logistics network. Our activities include the development of the industrial parks, sales or lease of prepared industrial land as well as the provision of ready-built factories and dormitory.

These parks encompass net lettable area of 550,000m^2 in Batamindo Industrial Park and 100,000m^2 in Bintan Industrial Estate. Our industrial parks are designed with flexible layouts and ease of set-up. Separate areas are broadly designed for offices, productions, as well as loading and unloading of goods. To meet the needs of our investors and tenants, whom may require specifications unique to their operations, the factories may be customised so to achieve operational efficiency and effectiveness. Our Batamindo Industrial Park is the first industrial park in the Asia-Pacific to be certified ISO 9001:2000 and ISO 14001, hallmarks of manufacturing site that is efficient, cost effective and environmentally friendly.

UTILITIES

Gallant Venture, a private provider of utilities in Batam and Bintan, provides electricity, telecommunications, water and waste management services to its industrial parks' and Resorts' customers. The Group has invested approximately S$435 million in the construction and development of utilities infrastructure and resources including power generation and distribution facilities, portable water treatment facilities, sewage treatment plants and waste water treatment facilities and landfills.

Our facilities include 19 dual-fired generators at Batamindo Industrial Park, 6 generators at Bintan Industrial Estate, and 4 generators at Bintan Resorts. The installed capacities of our generators are 130MW, 20MW, and 24 MW respectively.

In order to cope with any potential increase in electricity consumption and provide steady power supply to its customers, our catered approximately 30% of our installed capacity as standby reserve.

In addition, we maintain a strategic fuel reserve so to ensure continuously and uninterrupted power generation even in the event of disruption in fuel supply.

RESORT OPERATIONS

Gallant Venture provides overall support facilities and services to resorts located in Bintan. We undertake the overall planning, development, operations and marketing of Bintan Resorts and provide services to the hotels and resorts located within Bintan Resorts that include ferry services and ferry terminal operations, tour operations, property rental, workers' accommodation, medical support and estate and township maintenance such as road maintenance and drainage as well as operate a 24-hour crisis centre.

Bintan Resorts continue to be a popular tropical resort destination with Singapore residents and International travelers, famed for its pristine beaches and gorgeous scenery. With the opening of new hotels and shopping malls in Lagoi Bay in 2015, we expect an increase in tourist arrivals to Bintan Resorts.

LETTER TO SHAREHOLDERS

Mr Eugene Park
Chief Executive Officer
Executive Director

Mr Lim Hock San
Non-Executive Chairman
Independent Director

DEAR FELLOW SHAREHOLDERS,

Gallant Venture had an eventful year as the economic and political winds blew back and forth across the world in 2014. Globally, a strengthening US economy and dramatically lower oil prices helped to offset some of the weakness in the economies of Europe, Japan and China. Domestically, the election of Joko Widodo as President of Indonesia brought renewed foreign investor interest. However, partisan politics in Parliament has weakened the momentum for change. The weakness of the rupiah has made Indonesian production costs more attractive, but imported inflation has created accelerated wage demands. This mixed macro-economic environment has yielded similarly mixed results for our company. Overall, our sales increased to $2.3 billion with significant growth from our Property Development businesses. However, our net results were brought down by poor results in the Automotive and Industrial Parks businesses resulting in a disappointing 2014 net profit of $7.5 million as compared to $36.3 million for 2013. Our cash flow remains strong, with total Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") in excess of $250.3 million for 2014 (versus $207.9 million for 2013).

AUTOMOTIVE

Our largest subsidiary, IMAS, had a difficult year. Overall Indonesian passenger vehicle sales fell around 1% versus an expected 8-10% rise. The weaker rupiah and higher interest rates led to higher prices, while election uncertainties led to delays in purchases of new vehicles. Uncertainty on the timing of the Government's removal of the fuel subsidy also had a negative effect on vehicle sales (especially those with higher engine capacities). Weaker activity in the resources sector led to a decline in demand for trucks and heavy equipment as well. A discounting war among vehicle assemblers who were slow to react to bulging inventories caused by slower sales led to significant losses at our associate company that assembles Nissan vehicles. Together, these factors led IMAS to report a fall in results from IDR 805 billion profit in 2013, to a loss of IDR 25 billion in 2014. However, as the 2nd largest dealer of vehicles in Indonesia with a strong and growing portfolio of after-sales service and financing businesses, we are well-positioned to benefit from the fundamental trend of two-wheel to four-wheel migration, and expect better results in 2015 and 2016.

UTILITIES

Our Utilities business had a mixed year in 2014 due to the uncertain global economic climate. Overall revenues declined around 2%, in line with slower production rates in our customers' factories due to weaker demand for factory goods for export. However, significantly tighter controls and efficiency management, combined with lower energy costs, have allowed us to report improved contributions rising from $10.1 million in 2013 to $14.4 million in 2014. We have also seen an increase in consumption in Bintan Resorts on the back of new operations starting up in Lagoi Bay. We also expect to see additional demand as a result of new tenants coming into our Bintan Industrial Estate to support the new offshore marine centre and aerospace park. We are aware that future increases in energy costs will erode our profitability, and have initiated alternatives such as compressed natural gas and photovoltaic supplies, but they will remain a relatively small portion of our total production capacity.

PROPERTY DEVELOPMENT

Our Property Development business had a record year in 2014. We recognised $87.7 million in revenues, which led to a profit contribution of $63.5 million. Bintan Resort properties opening in 2014/2015 include around 400 new keys (adding to the existing 1,350 keys) plus over 10,000 m^2 of commercial properties. Already announced developments will add an additional 1,500 keys over the next three years including the addition of serviced apartments, town homes and landed residential properties. Sales in our Lagoi Bay Development were excellent and continue to fill the pipeline with new and exciting projects. so we expect to see continued strong performance in the coming years.

INDUSTRIAL PARKS

The re-focusing exercise in our Industrial Parks is gaining traction, and we are starting to see results in improving occupancy numbers. However, the results are still weak, with a 2014 loss of $10.8 million versus $7.1 million loss in 2013. Nevertheless, the addition of the offshore marine and aerospace businesses to our Bintan Industrial Estate is showing early signs of success with new foreign investors starting to show interest. This business will continue to occupy significant amounts of management time in the next two years as we work on new strategies to help our customers move up the value chain from pure low-cost, labour-driven manufacturing of the past. For example, we intend to assist in the retraining of workers and upgrading of skill sets by converting some of our now, less used dormitory accommodation facilities to specialised vocational training schools to support the new industry segments coming to our parks.

RESORT OPERATIONS

Bintan Resorts welcomed 478,457 guests in 2014, a rise of around 4.5%. These additional visitors have helped us to lower the losses in this line of business from $9.9 million in 2013 to $6.0 million in 2014. With the new hotels and commercial facilities and other touristic offerings opening almost every month through 2015 and 2016, we are confident that it will lead to a significant increase in visitor arrivals to Bintan Resorts, and expect further improvement of this line of business in the future.

We believe that the strong results in the Property Development and Utilities businesses underline the faith that you have had in our company. We believe that the Automotive business will improve significantly in the coming years, and combined with improvements in our Industrial Parks and Resort Operations businesses, we look forward to a strong and profitable future together.

MR LIM HOCK SAN
Non-Executive Chairman
Independent Director

MR EUGENE PARK
Chief Executive Officer
Executive Director

BUSINESS REVIEW

Year 2014 ended with much market volatility in the currencies and commodities front. While we witnessed recovery in USA, disappointments in Japan and EU coupled with slowing China economy composed the uncertain backdrop of the global economy. Indonesia is not spared in this chaotic economic environment. With much sharper reduction in commodities export and severely weakened Rupiah (Indonesia Rupiah weakened by approximately 2% against USD during the year), businesses in Indonesia were impacted negatively. While much lowered crude oil price may positively contributes to Indonesia fiscal budget and free up reserves for infrastructure developments, the investors maintain a wait-and-see attitude and Foreign Domestic Investment (FDI) into Indonesia remains low. As the Group's businesses are deeply rooted into Indonesia, macroeconomic developments have direct impact to the Group's performance.

For 2014, the Group realised its strategy in Lagoi Bay Development, delivering $87.7 million of Resorts land sales while our Utilities division benefitted from lower fuel cost towards the end of the year. Positive contributions from the resort land sales were substantially offset by poorer than expected performance in the Industrial Parks and Automotive division. Our Automotive division's vehicle sales were impacted by removal of fuel subsidies in Indonesia, rise in interest rate and sharp contraction in the mining industry that affected our sales of heavy equipment business. The Group remains hopeful that the Indonesia's plan to increase infrastructure spending will compensate shortfall in recent downturn.

Despite weakness in several business segments, the Group reported a net profit after tax of S$7.5 million for the year ended 2014.

UTILITIES

USA recovery was slow and China experienced much sharper slowdown in their economy. Weakness in Europe has also impacted industrial activities in Asia. Our industrial parks' tenants were not spared from weak economic conditions and their production was lower than previous periods. Accordingly, our Utilities division registered lower production but this was significantly mitigated by lower fuel cost towards end of 2014. With the opening of new hotels and commercial complex in Bintan, our Bintan power plant is experiencing a gradual increase in power consumption.

Learning from past experience in fuel price volatility, the Group continues to pursue diversification of fuel sources including and not limited to coal-fired power plants, CNG power plants and solar power generation. The Group hopes to achieve diversified fuel sources to support growth in Bintan and the upcoming airport / MRO project.

INDUSTRIAL PARKS

With the reconfiguration of our industrial spaces in 2012, we have successfully developed 2 distinct products – the Batam industrial park focuses on electronic, pharmaceutical and high technology space while the Bintan industrial estates focus on Offshore Marine Services, Food-related activities and Aerospace. Our Batamindo Industrial Park's occupancy rate improved from 83% in 2013 to 87% in 2014 while our Bintan Inti Industrial Estate witnessed growth from 65% to 66%. With improved occupancy rates and stable rental yield, the Group is confident to set the Industrial Parks division on recovery path and other initiatives, such as airport and MRO projects, will contribute positively to this segment.

RESORT OPERATIONS

With added attractions and new hotel openings, tourist arrivals into Bintan had increased by 4.6% as compared to the previous year. On the back of renewed marketing and promotion of Bintan, our Resorts Operations witnessed growth in most inbound segments with China and India contributing highest arrival growth. The opening of The Sanchaya, a high-end premium resort, in late 2014 was the first of several new hotel openings expected in Bintan. Coupled with new commercial complexes, the Group is optimistic about Bintan's growth potential and its contribution to our ferry and resorts-related support services in the coming years.

PROPERTY DEVELOPMENT

Riding on Resorts land sales momentum, our property development segment delivered another strong performance year with S$87.7 million of resorts land sales as compared to prior year's S$55.5 million. The Group expects to bring Lagoi Bay to maturity within the next 5 years with continued land sales as our Bintan Resorts gains recognition from global investment community. On the industrial land sales, the Group is hopeful that the airport and MRO initiative will rejuvenate our industrial land rental/sales business.

As at December 2014, the project status of our Lagoi Bay is as follows:-

- **Resort Sites**

The project has completed Phase 1 development and is planning for Phase 2 that will deliver infrastructure inland. With completion of Phase 1 infrastructure, the Group expects new hotel openings from 2015. With the opening of new hotels and commercial complexes coupled with new tourist attractions in Bintan, the Group is confident of increasing tourist flow and improving downstream businesses such as residential unit sales to local residents. Selected updates on Lagoi Bay are:-

- The Sanchaya

The 7.2 hectare estate comprises of 21 villas and 9 suites, each slightly different in size, layout and selection of artwork and artefacts to give an insight into South-East Asia's rich culture and history. This project was launched in December 2014 and was officially opened on 1 January 2015. The exciting Asian mosaic experience that the resorts offer to its guests raises its profile and creates a unique destination for Bintan Resorts.

- Alila Resorts

This luxury 40 villa boutique hotel together with the 13 beach front residences and 17 two-bedroom pool villas are expected to be ready by 2nd half of 2015. An unprecedented concept in Alila's portfolio of resorts, Alila Bintan focuses on celebrating Asia's rich arts and cultural heritage, superb hospitality and contemporary lifestyle. It will be an incomparable addition to Bintan Resorts.

➢ Swiss-Belhotel Grand Lagoi

Swiss-belhotel which features 196 guestrooms is scheduled for progressive opening from March 2015. Bintan Market Place, comprising 41 shop houses, a food and beverage enclave as well as a weather-proof canopied walkway is expected to be ready by 2nd half 2015. In their Phase 2 development, a 218-key hotel and service apartment managed by Far East Hospitality Trust's Quincy Brand is expected to be ready by 2nd half FY2016. This addition will cater to families who enjoy superb sea-views and a shopping experience in Lagoi Bay.

➢ Treasure Bay Bintan

Treasure Bay is a 338-hectare waterfront resort city that integrates resorts, hotels, wellness leisure, residential and commercial real estate to be developed over 3 phases.

Phase 1 of Treasure Bay consists of 41 large safari-styled tents with garden, "The Canopi", a 6.3 hectare Crystal Lagoon, South-East Asia's first and largest recreational sea water body, and the Chill Cove. The Chill Cove is a vibrant and exciting social hub divided into over 500 lots with a mix of shops and offices to cater to different consumer markets.

The Canopi and Crystal Lagoon are expected to open in 2nd quarter of 2015 and the Chill Cove will be ready in the 2nd half of 2015.

➢ "Oldest active Passenger Ship" - Doulos Phos

After three unsuccessful years of searching for a suitable site, the 100 year old American historic ship, Doulos Phos, has found a permanent port of call in Bintan Resorts.

The ship is undergoing retrofitting and will be converted into a land-berth heritage hotel complete with resort-style facilities and an on-board maritime museum. The ship will have approximately 100 cabins and is scheduled for opening in late 2015. This unique ship-hotel concept adds a new dimension to holidaying in Bintan Resorts.

• Plaza Lagoi

We have synchronised the opening of our Lagoi Bay anchor mall, Plaza Lagoi, with new hotel openings in Lagoi Bay. We expect to open Plaza Lagoi by 2nd quarter of 2015. Plaza Lagoi will boast a myriad of choices of F&B outlets, spa services, retail outlets, souvenir stores and related retail facilities. It will supplement existing attractions on the island and integrate the surrounding hotels/resorts to form seamless commercial, leisure, residential and recreational activities along the uninterrupted 5 kilometre coast line at Lagoi Bay, Bintan.

• Pantai Indah

The development of 139 one-bedroom and two-bedroom Pantai Indah Collections is progressing well with 40 villas completed while the remaining are under construction. Upon completion, the existing beachfront villas together with the 139 villas will form Bintan's first seaside residential estate in the well-established master-planned community of Lagoi Bay, a fully-gated community with 24-hour security and direct access to the beach and our Plaza Lagoi. This property will be managed by Holiday Villa International, a leading global hotel and residence management group. We expect the project to TOP by early 2016.

• New attractions

The revamped Bintan Eco Farm, the size of 24 football fields which include a bird rehabilitation aviary, a fruit orchard, an outdoor classroom, fish ponds, a forest and a reservoir, provide an opportunity for participants and students to understand the crucial role of a sustainable eco-system and to experience and engage in the actual operation of a farm.

Other forthcoming attractions include canopy adventure trail (AdvenTreez), a four-wheel drive motorcar facility and driving academy, cable skiing, indoor electric go-kart, bungee jumping and Bohol Wakefest, to be opened in stages over the next two years.

These attractions will bring an unparallelled experience to tourists and will significantly enhance Bintan Resorts' attractiveness as a global resort destination.

AUTOMOTIVE

TThe Indonesia government reduced fuel subsidy by more than 30% in November 2014 so to reduce state spending on fuel subsidy and re-allocate funds to structural economic and social development. Increased fuel cost coupled with the Indonesia Central Bank's decision to increase interest rate, our IMAS experienced temporary contraction in passenger vehicle sales. Apart from reduced passenger vehicle sales, a price war initiated by competitors had impacted IMAS' assembly business. In 2014, Indonesia domestic passenger vehicle sales declined by 1.8% from 1,229,916 vehicles in 2013 to 1,208,019 vehicles in 2014, while IMAS reported 62,846 vehicle sales in 2014 as compared to 2013's 63,473, representing a 1% decline from the previous year.

IMAS launched its much awaited Low Cost Green Cars ("LCGC") in May 2014 and has overcome technical difficulties in its new assembly plant. Since the inception of LCGC, IMAS experiences growing popularity and expects to ramp up production closer to its plant design capacity of 10,000 vehicles a month. IMAS expects LCGC to make up 16% of Indonesia's vehicle sales market, from the current 14%.

Before share of associates' losses (i.e. the assembly business), IMAS registered a profit of S$27.8 million as compared to the previous year's S$60.1 million. Associates' losses of S$30.8 million caused IMAS to register a Net Loss after Tax of S$9.0 million, a sharp contrast to FY2013's profit of S$75.0 million.

While IMAS is going through this weak vehicle sales period, Indonesia remains to have lowest per-capita car ownership of less than 4%. Amid structural economic reform and rising purchasing power among the middle class segment, IMAS remains hopeful of Indonesia passenger vehicle segment. The Group is confident that IMAS is able to execute its strategies so to achieve its long term prospects:-

- Continue its LCGC strategy and to compete effectively against its competitors based on product differentiation and a large distribution network;

- Continue to shape and balance its portfolio towards higher yield Service & Parts business, Rental fleet, Hire Purchase and heavy equipment leasing.

LAOXIMEN

Phase 1 Tower A has achieved structural completion and progress well into interior design and M&E works. Tower B is at the construction stage and expected to achieve structural completion by 3Q2015. The Project plans to pre-sale Tower A in May 2015 followed by Tower B in 4th Quarter 2015. The Group believes that LaoXiMen is a unique product and will appeal to buyers well. The project has started preparation of north plot and plans to commence construction towards 2nd half of 2015. The Group remains optimistic of the potential of this project.

GOING FORWARD

In 2014, the Group pursued a strategy to diversify its businesses from Riau focused on a more balanced Indonesia-focused portfolio. While the Group successfully completed the acquisition of IMAS, it was saddened by sharper than expected deterioration of the automotive industry in 2014. On the other hand, this has validated the Group's strategy to develop a balanced portfolio where the Group can achieve balanced results and the ability to weather volatility in one or more of its business segments.

Against this backdrop, the Group approaches 2015 with caution, continuing its strategies focusing on Bintan and IMAS. Our strategic focus in 2015 are:-

- Continue to ride on resorts land sales momentum and bring Lagoi Bay to maturity within 5 years;
- Improve connectivity between Bintan and neighbouring islands/countries to include addition of high speed ferry, helicopter/light aircraft and development of a Bintan Airport;
- Continue to grow IMAS' downstream businesses, such as vehicle financing, service & parts business and vehicle/heavy equipment rental;
- Continue to reshape our Industrial Parks so to achieve a diversified tenant portfolio with special focus on the creation of an aerospace hub in Bintan; and
- Improve utilities' margin through diversification of fuel sources.

FINANCIAL REVIEW

Year 2014 is a year with contrasting performance in the Group's two major Indonesia portfolios. Its Property Development division delivered a strong showing in FY2014 with S$87.7 million of Lagoi Bay land sales while other businesses in Riau witnessed recovery from past crisis. The strong contribution was substantially offset by interest expenses related to IMAS Acquisition and poorer than expected performance in IMAS. Impacted by much weaker macro-economic conditions in Indonesia and the sharp deterioration in Indonesia Rupiah, IMAS delivered significantly lower profit of S$21.8 million, as compared to the previous year's S$45.0 million. With equity accounting of IMAS Associates' losses (i.e. the assembly businesses), IMAS reported a net loss of S$9.0 million, as compared to net profit of S$52.7 million in FY2013. Accordingly, the Group registered a net profit attributable to equity holders of the company of S$7.5 million, representing a 79% decline from the previous period.

The Group's EBITDA was S$250.3 million as compared to S$207.9 million in FY2013. Contributions from our five business segments were S$34.0 million (FY2013: S$34.0 million) from Utilities, S$20.3 million (FY2013: S$24.3 million) from our Industrial Parks, S$3.2 million (FY2013: S$0.5 million) from Resort Operations, S$67.9 million (FY2013: S$40.6 million) from the Property Development and the automotive segment registered S$127.6 million (FY2013: S$106.5 million). The factory rental rates remain depressed due to intense regional competition but rental yield has stabilised. Our Property Development segment continued its momentum and delivered stronger EBITDA contribution in 2014.

The Group's net profit attributable to shareholders for FY2014 was S$7.5 million as compared to FY2013's S$36.3 million. Significantly lower net profit was mainly due to IMAS Associates' losses, the weakened Indonesia Rupiah and higher interest expenses offset by contributions from Lagoi Bay resorts land sales.

Basic and diluted Earnings Per Share ("EPS") for the period under review was 0.16 cents per share and 0.15 cents per share respectively. The Group's Net Asset Value ("NAV") per share as at 31 December 2014 was 41.67 cents.

UTILITIES

Our Utilities business registered lower revenue of S$105.8 million as compared to FY2013's S$108.1 million. Power demand in our industrial parks remains weak, with a 2% decline from the previous year, as our tenants are recovering from the crisis. On the other hand, electricity consumption increased by 8% in our Bintan Resorts due to increased tourist arrivals and opening of new hotels. Coupled with lower fuel cost and benefits from several cost saving initiatives, our Utilities segment profit improved from FY2013's S$10.1 million to S$14.4 million in FY2014.

INDUSTRIAL PARKS

After revamping the industrial focus in our two industrial parks, the Group witnessed improvement in the occupancy rate and stabilised rental yield. Our Batamindo Industrial Park's occupancy rate improved from FY2013's 83% to 87% in FY2014, while our Bintan Inti Industrial Estate registered 66% occupancy rate, a marginal improvement from FY2013's 65%. In FY2014, our Industrial Parks business registered lower revenue of S$39.6 million as compared to FY2013's S$40.5 million, as new tenants started fitting into our industrial parks towards late 2014 where benefits will only flow through in early 2015. This segment registered a higher loss of S$10.8 million in FY2014 as compared to FY2013's loss of S$7.1 million due to higher operating costs and restructuring cost.

RESORT OPERATIONS

In FY2014, we witnessed higher tourist arrivals to Bintan Resorts from 457,593 in FY2013 to 478,457 in FY2014. China, India and Indonesia remain the strongest inbound growth markets to our Bintan Resorts. Accordingly, this segment registered lower loss of S$6.0 million as compared to S$9.9 million in FY2013 and was mainly due to higher ferry revenue and lower operating costs. The Group expects the upcoming opening of hotels and resorts in Lagoi Bay will contribute positively to this segment.

PROPERTY DEVELOPMENT

Our Property Development segment registered another stronger performing year with S$87.7 million of resorts land sales, a sharp improvement from FY2013's S$55.5 million. The official opening of The Sanchaya in Lagoi Bay marks the revitalization of Bintan Resorts. Following the opening of The Sanchaya, there will be several new hotels and commercial complexes opening in FY2015. New hotel and commercial activities will contribute positively to our Utilities and Resort Operations segments.

AUTOMOTIVE

The sharp slowdown in the commodity export industrial segment, significantly weakened Indonesia Rupiah, fuel price hike and weaker consumer sentiment, our IMAS registered lower profit as compared to the previous period. With equity accounting of Associates' (vehicle assembly business) losses, IMAS Group registered a net loss of S$9.0 million as compared to FY2013's net profit of S$52.7 million. On a brighter note, IMAS has resolved teething issues in their new assembly plant and the LCGC sales is gaining momentum. The Group remains optimistic about IMAS' potential and its ability to recover from FY2014's poor performance.

GROUP STRUCTURE

GALLANT VENTURE

- **100%** PT Batamindo Investment Cakrawala — *Subsidiary*
- **60%** PT Batamindo Executive Village — *Subsidiary*
- **95%** PT Batam Bintan Telekomunikasi — *Subsidiary*
- **100%** PT Bintan Inti Industrial Estate — *Subsidiary*
- **86.77%** PT Bintan Resort Cakrawala — *Subsidiary*
- **90.74%** Bintan Resort Ferries Private Limited — *Subsidiary*
- **100%** Bintan Resorts International Pte. Ltd. — *Subsidiary*
- **100%** PT Buana Megawisatama — *Subsidiary*
- **100%** BU Holdings Pte Ltd — *Subsidiary*
- **100%** PT Taman Indah — *Subsidiary*
- **100%** PT Surya Bangunpertiwi — *Subsidiary*
- **100%** Lagoi Dreams Limited — *Subsidiary*
- **90%** PT Bintan Aviation Investments — *Subsidiary*

- **100%** Verizon Resorts Limited — *Subsidiary*
- **100%** Batamindo Investments (S) Ltd — *Subsidiary*
- **100%** PT Suakajaya Indowahana — *Subsidiary*
- **100%** Bintan Power Pte. Ltd. — *Subsidiary*
- **100%** Golf View Limited — *Subsidiary*
- **100%** Treasure Home Ltd — *Subsidiary*
- **100%** Win Field Ltd — *Subsidiary*
- **36%** Batamindo Carriers Pte Ltd — *Associate*
- **30%** PT Soxal Batamindo Industrial Gases — *Associate*

71.49%

PT Indomobil Sukses Internasional Tbk
Subsidiary

SUBSIDIARIES

PT Multicentral Aryaguna	100%	PT Indomobil Prima Niaga	96.51%
PT Indomobil Wahana Trada	100%	PT Indomobil Cahaya Prima	49.20%
PT Central Sole Agency	100%	PT Indomobil Sumber Baru	48.72%
PT IMG Sejahtera Langgeng	99.99%	PT Indomobil Trada Nasional	100%
PT National Assemblers	99.89%	PT Wahana Wirawan	100%
PT Unicor Prima Motor	96.48%	PT Wahana Prima Trada Tangerang	100%
PT Rodamas Makmur Motor	90%	PT Wahana Wirawan Manado	100%
PT Indomobil Multi Jasa Tbk	89.60%	PT IMG Bina Trada	100%
PT Indomatsumoto Press & Dies Industries	51%	PT Auto Euro Indonesia	100%
PT Indomobil Finance Indonesia	89.61%	PT Wahana Indo Trada	100%
PT CSM Corporatama	89.61%	PT Wahana Wirawan Palembang	100%
PT Indomobil Bintan Corpora	89.61%	PT Wahana Niaga Lombok	55%
PT Wahana Indo Trada Mobilindo	89.61%	PT United Indo Surabaya	51%
PT Kharisma Muda	89.61%	PT Wahana Sumber Baru Yogya	51%
PT Lippo Indorent	53.76%	PT Wahana Meta Riau	51%
PT Indomobil Summit Logistics	53.77%	PT Wahana Sumber Trada Tangerang	51%
PT Indomurayama Press & Dies Industries	99.99%	PT Wahana Rejeki Mobilindo Cirebon	51%
PT Wahana Inti Central Mobilindo	99.99%	PT Wahana Megahputra Makassar	51%
PT Indomobil Multi Trada	99.99%	PT Wahana Senjaya Jakarta	51%
PT Wahana Inti Selaras	99.99%	PT Wahana Persada Jakarta	51%
PT Garuda Mataram Motor	99.69%	PT Wahana Sumber Lestari Samarinda	51%
PT Indobuana Autoraya	85.84%	PT Wahana Inti Nusa Pontianak	51%
PT Marvia Multi Trada	79.99%	PT Wahana Lestari Balikpapan	51%
PT Kyokuto Indomobil Distributor Indonesia	50.99%	PT Wahana Adidaya Kudus	51%
PT Indotama Maju Sejahtera	50%	PT Wahana Jaya Indah Jambi	51%
PT Wangsa Indra Permana	99.78%	PT Wahana Jaya Tasikmalaya	51%
PT Indotruck Utama	74.99%	PT Wahana Sumber Mobil Yogya	51%
PT Indo Traktor Utama	74.99%	PT Wahana Investasindo Salatiga	51%
PT Eka Dharma Jaya Sakti	59.99%	PT Indosentosa Trada	50.5%
PT Prima Sarana Gemilang	59.99%	PT Wahana Trans Lestari Medan	50.5%
PT Prima Sarana Mustika	59.99%	PT Wahana Sun Motor Semarang	50.5%
PT Indomobil Sugiron Energi	50.99%	PT Wahana Sun Hutama Bandung	50.5%
PT Makmur Karsa Mulia	50.99%	PT Wahana Sun Solo	50.5%
PT Indo Global Traktor	50.99%	PT Wahana Persada Lampung	50.5%
PT Indo Auto Care	50.99%	PT Wahana Delta Prima Banjarmasin	50.5%
PT Autobacs Indomobil Indonesia	50.99%	PT Wahana Sugi Terra	50%
PT Furukawa Indomobil Battery Sales	50.99%		

ASSOCIATES

PT Indo VDO Instrument	50%	PT Mitsuba Automotive Parts Indonesia	25%
PT Indo Trada Sugiron	50%	PT Swadharma Indotama Finance	24.56%
PT Gunung Ansa	49.99%	PT Sumi Indo Wiring Systems	20.50%
PT Indo Citra Sugiron	50%	PT Vantec Indomobil Logistics	20%
PT Kyokuto Indomobil Manufacturing Indonesia	49%	PT Indo Masa Sentosa	30%
PT Car & Cars Indonesia	44.80%	PT Nissan Financial Services Indonesia	22.40%
PT Hino Motors Sales Indonesia	40%	PT Furukawa Indombil Battery Manufacturing	49%
PT Nissan Motor Indonesia	25%	PT Hino Finance Indonesia	35.84%
PT Nissan Motor Distributor Indonesia	25%		

FINANCIAL HIGHLIGHTS

	FY2014	FY2013 Restated
INCOME STATEMENTS (IN S$ MILLION)		
Revenues	2,328.3	1,854.7
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	250.3	207.9
Earnings Before Interest and Tax (EBIT)	127.5	113.6
Earnings After Tax Attributable to Shareholders	7.5	36.3
SEGMENTAL REVENUE (IN S$ MILLION)		
Utilities	105.8	108.1
Industrial Parks	39.6	40.5
Resorts	21.2	20.8
Property Development	87.7	55.5
Automotive	2,074.0	1,629.8
EBITDA BY SEGMENT (IN S$ MILLION)		
Utilities	34.0	34.0
Industrial Parks	20.3	24.3
Resorts	3.2	0.5
Property Development	67.9	40.6
Automotive	127.6	106.5
Corporate	(2.7)	2.0
STATEMENT OF FINANCIAL POSITION (IN S$ MILLION)		
Cash and Cash Equivalents	161.3	168.4
Investment Properties	164.7	186.5
Land and Other Inventories	976.3	1,075.6
Trade, Other Receivables and Financing Receivables	1,312.5	1,062.0
Total Assets	5,025.8	4,836.5
Total Borrowings	2,240.2	2,127.3
Shareholders' Equity	2,010.5	1,991.3
CASH FLOW (IN S$ MILLION)		
Net Cash used in Operating Activities	60.0	(189.2)
Net Cash used in Investing Activities	(149.8)	(998.8)
Net Cash generated from/(used in) Financing Activities	79.2	1,291.5
Net increase/(decrease) in Cash and Cash equivalents	(10.6)	103.5
FINANCIAL RATIOS		
Current Ratio	1.5	1.6
Debt-to-Equity Ratio (Gross Debt)	111.4%	106.8%
Debt-to-Equity Ratio (Net Debt)	103.4%	98.4%
EBITDA Margin	10.8%	11.2%
Return on Equity	0.37%	1.82%
Return on Assets	0.15%	0.75%
STOCK INFORMATION (IN S$ EXCEPT AS INDICATED)		
Stock Price – Year-end	0.25	0.27
Market Capitalisation as at 31 December (S$' billion)	1.206	1.303
NAV per Share (cents)	41.67	41.27
Earnings per Share – basic (cents)	0.156	0.904
Earnings per Share – diluted (cents)	0.148	0.868

BOARD OF DIRECTORS

MR LIM HOCK SAN

Non-Executive Chairman and Independent Director
Chairman, Audit Committee
Chairman, Remuneration Committee
Member, Nominating Committee
Date of Appointment : Director on 1 February 2006
Last Re-elected : 30 April 2013

Mr Lim is presently the President and Chief Executive Officer of United Industrial Corporation Limited as well as Singapore Land Limited. He is the chairman of National Council on Problem Gambling, and also a director of Interra Resources Limited and Indofood Agri Resources Limited. He has a Bachelor of Accountancy from the then University of Singapore and a Master of Science (Management) from Massachusetts Institute of Technology. Mr Lim also attended the Advanced Management Programme at Harvard Business School. He is a fellow of The Chartered Institute of Management Accountants (UK) and a Fellow and past President of the Institute of Certified Public Accountants of Singapore. He is also a recipient of the Singapore Government Meritorious Service Medal, the Public Administration Medal (Gold) and the Public Service Medal.

MR EUGENE CHO PARK

Executive Director and Chief Executive Officer
Date of Appointment : Director on 1 February 2006
Last Re-elected : 30 April 2014

Responsible for the overall management of the Company, Mr Park is a co-founder of Parallax Capital Management Group. He has also spent more than 15 years as an investment banker with Credit Suisse First Boston in London, Chase Manhattan Asia Ltd in Hong Kong and Banque Paribas in Singapore. He received a Bachelor of Arts (Chemistry) from Princeton University in the United States of America and a Master of Business Administration from INSEAD in France.

MR GIANTO GUNARA

Executive Director
Date of Appointment : Director on 8 November 2006
Last Re-elected : 20 April 2012

Mr Gunara is the Executive Director managing resorts developments and Bintan Industrial Estate in Bintan and responsible for new initiatives such as Bintan Airport project. He holds directorships in Gallant Venture's subsidiaries and was recently appointed as non-executive director of QAF Limited. Mr Gunara has more than 25 years of industry experience having worked with Haagtechno BV — Den Bosch in Holland, Hagemeyer NV, PT Indomarco Nusatrada, Indomarco International and Kangaroo Industries in Los Angeles as well as PT Indoleather Swakarsa.

MR JUSAK KERTOWIDJOJO

Executive Director
Date of Appointment : Director on 30 April 2014

Mr Kertowidjojo is the President Director of IMAS. Mr Kertowidjojo was first appointed as the Vice President Director II of IMAS in June 2005 and as its President Director and Chief Executive Officer in June 2011. He also currently serves as a director in a number of IMAS' subsidiaries. He started his professional career with the IMAS Group in 1982. Mr Kertowidjojo obtained a Bachelor's Degree in Economics and Accounting from the Parahyangan University in Bandung in 1982.

MR CHOO KOK KIONG

Executive Director
Date of Appointment : Director on 30 April 2014

Mr Choo is the Executive Director and Group Chief Financial Officer overseeing the Group and its Corporate Services. Mr Choo joined the Group in 2005 after holding various management positions in the Sembcorp group. He has over 20 years of finance experience, having held the positions of Vice-President of Finance at SembPark and Sembcorp Parks Holdings Ltd (now known as Sembcorp Development Ltd), Assistant Vice-President of Finance at Sembcorp Industries and Accounts Manager with Singapore Precision Industries Pte Ltd. Mr Choo was recently appointed as a non-executive director of QAF Limited.

DR TAN CHIN NAM

Non-Executive Director
Date of Appointment : Director on 25 May 2009
Last Re-elected : 30 April 2013

Dr Tan is currently a senior corporate adviser holding directorships in various boards including Stamford Land Corporation Ltd, Yeo Hiap Seng Ltd, Raffles Education Corporation Ltd, PSA International Pte Ltd and Sino-Singapore Guangzhou Knowledge City Investment and Development Co Ltd. He is also Chairman of the Temasek Management Services Pte Ltd and Global Fusion Capital Pte Ltd. He is a senior adviser of the Salim Group, ZANA Capital Pte Ltd, Singbridge Corporate Pte Ltd and Litmus Group Pte Ltd. He is a trustee of Bankinter Foundation of Innovation (Spain), a Principal Member of Green Finance Corporation, member of The Centre for Liveable Cities Advisory Board and consultant of CSC Technology Singapore Pte Ltd.. Dr Tan had 33 years of service in the Singapore Civil Service holding various key appointments before completing his term as a Permanent Secretary at the end of 2007. Dr Tan has held leadership roles in various Singapore government ministries and statutory boards such as the Ministry of Defence, National Computer Board, Economic Development Board, Singapore Tourism Board, Ministry of Manpower, National Library Board and Ministry of Information, Communications and the Arts. He was awarded four Public Administration Medals and was conferred the Eminent Alumnus Award. Dr Tan is an Eisenhower Fellow.

AXTON SALIM

Non-Executive Director
Date of Appointment : Director on 30 April 2014

Mr. Axton Salim was first appointed as Director of PT Indofood Sukses Makmur Tbk based on the resolution of the AGM in 2009 and re-elected in 2012. He is concurrently Director of PT Indofood CBP Sukses Makmur Tbk, where he heads the Dairy Division; Director of Pacsari Pte. Ltd. and Indofood Asahi Sukses Beverage; Non-Executive Director of Indofood Agri Resources Ltd; Vice President Director I of PT Indolakto; and Commissioner of PT Salim Ivomas Pratama Tbk, PT London Sumatra Indonesia Tbk and PT Nestle Indofood Citarasa Indonesia. He also serves as Co-chair of Scaling Up Nutrition (SUN) Business Network Advisory Group. He holds a Bachelor of Science in Business Administration from University of Colorado, USA.

MR FOO KO HING

Independent Director
Member, Audit Committee
Member, Nominating Committee
Member, Remuneration Committee
Date of Appointment : Director on 8 December 2004
Last Re-elected : 30 April 2012

After leaving Price Waterhouse Coopers in 1986, Mr Foo joined The Hongkong and Shanghai Banking Corporation Limited ("HSBC") group in the Trust and Fiduciary Business in Singapore. He was later seconded to HSBC Bank Jersey C.I in 1989 and was subsequently promoted to Executive Director, covering fiduciary activities, private banking, compliance and investment functions. He returned to Singapore in 1991 and resumed responsibilities with the HSBC Investment Bank Group for Private Banking and Trust Services as an Executive Director and Head of Business Development. Mr Foo is also a co-founder and Director of Cerealtech Pte Ltd, a food technology company specialising in enzyme application and micro ingredient development for the industrial baking sector. He is also currently the Independent Director of Amara Holdings Ltd. He has over 15 years of experience in investment origination, structuring, monitoring and strategic growth assistance, with emphasis on the private equity investment and capital markets. He has previously served on the boards of various companies in various sectors listed on the SGX-ST. He holds an Honours Degree in Economics and Accounting from University of Newcastle Upon Tyne, United Kingdom.

RIVAIE RACHMAN

Independent Director
Chairman, Nominating Committee
Member, Audit Committee
Member, Remuneration Committee
Date of Appointment : Director on 8 December 2004
Last Re-appointed : 30 April 2014

Mr Rachman is presently the Independent Director of Riau Development Bank and Surya Dumai Palmoil Plantation & Industry Group in Indonesia. He was also the Vice Governor of Riau Province from 1994 to 1999, Head of Riau Economic Planning Board for ten years, Head of Riau Investment Coordination Board for six years and President Director of Riau Development Bank from 1965 to 1968.

KEY EXECUTIVES

Certain information on the business and working experience of the Group's key executives is set out below:

MR EUGENE CHO PARK

Responsible for the overall management of the Company, Mr Park is a co-founder of Parallax Capital Management Group. He has also spent more than 15 years as an investment banker with Credit Suisse First Boston in London, Chase Manhattan Asia Ltd in Hong Kong and Banque Paribas in Singapore. He received a Bachelor of Arts (Chemistry) from Princeton University in the United State of America and a Master of Business Administration from INSEAD in France.

MR GIANTO GUNARA

Mr Gunara is the Executive Director managing resorts developments and Bintan Industrial Estate in Bintan and responsible for new initiatives such as Bintan Airport project. He holds directorships in Gallant Venture's subsidiaries and was recently appointed as non-executive director of QAF Limited. Mr Gunara has more than 25 years of industry experience having worked with Haagtechno BV — Den Bosch in Holland, Hagemeyer NV, PT Indomarco Nusatrada, Indomarco International and Kangaroo Industries in Los Angeles as well as PT Indoleather Swakarsa.

MR JUSAK KERTOWIDJOJO

Mr Kertowidjojo is the President Director of IMAS. Mr Kertowidjojo was first appointed as the Vice President Director II of IMAS in June 2005 and as the President Director and Chief Executive Officer in June 2011. Currently he also serves as a director in a number of IMAS' subsidiaries. He started his professional career with the IMAS Group in 1982. Mr. Kertowidjojo obtained a Bachelor's Degree in Economics and Accounting from the Parahyangan University in Bandung in 1982.

MR CHOO KOK KIONG

Mr Choo is the Executive Director and Group Chief Financial Officer overseeing the Group and its Corporate Services. Mr Choo joined the Group in 2005 after holding various management positions in the Sembcorp group. He has over 20 years of finance experience, having held the positions of Vice-President of Finance at SembPark and Sembcorp Parks Holdings Ltd (now known as Sembcorp Development Ltd), Assistant Vice-President of Finance at Sembcorp Industries and Accounts Manager with Singapore Precision Industries Pte Ltd. Mr Choo was recently appointed as a non-executive director of QAF Limited.

CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER
200303179Z

REGISTERED OFFICE
991A Alexandra Road #02-06/07
Singapore 119969

DIRECTORS
Lim Hock San
(Non-Executive Chairman and Independent Director)

Eugene Cho Park
(Executive Director and Chief Executive Officer)

Gianto Gunara
(Executive Director)

Jusak Kertowidjojo
(Executive Director)

Choo Kok Kiong
(Executive Director)

Dr Tan Chin Nam
(Non-Executive Director)

Axton Salim
(Non-Executive Director)

Foo Ko Hing
(Independent Director)

Rivaie Rachman
(Independent Director)

AUDIT COMMITTEE
Lim Hock San (Chairman)
Foo Ko Hing
Rivaie Rachman

NOMINATING COMMITTEE
Rivaie Rachman (Chairman)
Lim Hock San
Foo Ko Hing

REMUNERATION COMMITTEE
Lim Hock San (Chairman)
Foo Ko Hing
Rivaie Rachman

COMPANY SECRETARY
Choo Kok Kiong

SHARE REGISTRAR
KCK CorpServe Pte. Ltd.
333 North Bridge Road #08-00 KH KEA Building
Singapore 188721

PRINCIPAL BANKERS
United Overseas Bank Limited
PT Bank CIMB Niaga Tbk CIMB Singapore Branch
Standard Chartered Bank Ltd
DBS Bank Ltd

INDEPENDENT AUDITOR
Foo Kon Tan LLP
Public Accountants and Chartered Accountants
47 Hill Street #05-01
Singapore Chinese Chamber of Commerce &
Industry Building
Singapore 179365
Partner-in-charge : Ong Soo Ann
(Since financial year 2013)

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors of Gallant Venture Ltd. (the "Company"), is committed to high standards of corporate governance and has adopted the corporate governance practices contained in the 2012 Code of Corporate Governance ("2012 Code") so as to ensure greater transparency and protection of shareholders' interests. This statement outlines the main corporate governance practices that were in place throughout the financial year.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The primary role of the Board is to protect and enhance long-term shareholders' value. It sets the corporate strategies of the Group and ensure that the necessary financial and human resources are in place for the Company to meet its objectives. The Board establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets, supervises the Management and monitors performance of these goals to enhance shareholders' value. The Board is responsible for the overall corporate governance of the Group and considers sustainability issues of policies and procedures.

Regular meetings are held to deliberate the strategic policies of the Company including significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results.

The Company's Articles of Association are sufficiently flexible to allow the Board meetings to be conducted by way of telephonic or video conference meetings, provided the requisite quorum of majority of the directors is present.

The following table discloses the number of meetings held for Board and Board Committees and the attendance of all Directors for the financial year ended 31 December 2014: -

	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held	**4**	**4**	**1**	**1**
Name of Directors	**Number of meetings attended**			
Mr Lim Hock San	4	4	1	1
Mr Eugene Cho Park	4	4*	-	-
Mr Gianto Gunara	4	4*	-	-
Mr Rivaie Rachman	4	4	1	1
Mr Foo Ko Hing	4	4	1	1
Dr Tan Chin Nam	4	4*	-	-
Mr Axton Salim #	3	3*	-	-
Mr Jusak Kertowidjojo #	2	2*	-	-
Mr Choo Kok Kiong #	3	3*	-	-

* Attended the meeting as invitee
\# Appointed as Directors at the AGM held on 30 April 2014

STATEMENT OF CORPORATE GOVERNANCE

The Board has formed Board Committees namely the Audit Committee, the Nominating Committee and the Remuneration Committee to assist in carrying out and discharging its duties and responsibilities efficiently and effectively.

These Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each Committee is also constantly reviewed by the Board.

The Nominating Committee held a meeting in February 2015 to recommend to the Board the re-election of Directors for the financial year ended 31 December 2014.

Matters reserved for Board's Approval

Matters specifically reserved to the Board for its approval are:

(a) matters involving a conflict of interest for a substantial shareholder or a director;

(b) strategic policies of the Group;

(c) annual budgets

(d) material acquisitions and disposal of assets;

(e) corporate or financial restructuring;

(f) share issuances, interim dividends and other returns to shareholders; and

(g) any investment or expenditure which requires Board's approval as set out in the Company's authorisation matrix which sets out the financial authority and approval guidelines for capital expenditure, investments, divestments and borrowings.

Delegation of Authority by the Board

Board Committees, namely the Audit Committee, Nominating Committee, and Remuneration Committee have been constituted to assist the Board in the discharge of specific responsibilities. Principles 4 to 5, 7 to 9, 11 to 13 detailed the activities of the Audit Committee, Nominating Committee and Remuneration Committee respectively.

Orientation, briefings, updates and trainings for Directors

During the financial year reported on, the Directors had received updates on regulatory changes to the Listing Rules and the accounting standards and the 2012 Code. The Chief Executive Officer updates the Board at each Board meeting on business and strategic developments. The management highlights the salient operating issues as well as the risk management considerations for the Group's businesses. Newly appointed directors will be given an orientation program to familiarise themselves with the Company's operations whilst the existing Directors had attended appropriate courses, conferences and seminars.

STATEMENT OF CORPORATE GOVERNANCE

Board Composition and Balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

As at the date of this Report, the Board of Directors (the "Board") comprises nine members, of whom two are Non-Executive and Non-Independent and three are Independent Directors.

1.	Mr Lim Hock San	Non-Executive Chairman and Independent Director
2.	Mr Eugene Cho Park	Executive Director and Chief Executive Officer
3.	Mr Gianto Gunara	Executive Director
4.	Mr Jusak Kertowidjojo	Executive Director
5.	Mr Choo Kok Kiong	Executive Director
6.	Dr Tan Chin Nam	Non-Executive Director
7.	Mr Axton Salim	Non-Executive Director
8.	Mr Foo Ko Hing	Independent Director
9.	Mr Rivaie Rachman	Independent Director

The criterion for independence is based on the definition given in the Code of Corporate Governance ("Code"). The Code has defined an "Independent" Director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the company.

The independence of each Director is reviewed annually by the Nominating Committee, based on the definition of independence as stated in the Code.

The Board is of the view that the current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. The composition of the Board will be reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

Key information regarding the Directors is given in the 'Board of Directors' section of the Annual Report.

Particulars of interests of Directors who held office at the end of the financial year in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Report of the Annual Report.

Annual Review of Directors' Independence in 2014

All the Independent Directors, Mr Lim Hock San, Mr Foo Ko Hing and Mr Rivaie Rachman have confirmed their independence and they do not have any relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgment.

Mr Lim Hock San, Mr Foo Ko Hing and Mr Rivaie Rachman have served as Directors for more than nine years. The Board deemed that the length of service of a Director should not determine the effectiveness of independence of an Independent Director. In assessing the independence of a Director, the Board considers it more appropriate to have regard to the Director's contribution in terms of professionalism, integrity, objectivity and ability to exercise independence of judgment in his deliberation in the interest of the Company. The Board is of the view that the Independent Directors have over the years developed significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole. Mr Lim Hock San, Mr Foo Ko Hing and Mr Rivaie Rachman have confirmed they have no association with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment. After taking into account all these factors, the Board has determined Mr Lim Hock San, Mr Foo Ko Hing and Mr Rivaie Rachman independent. Each of Mr Lim Hock San, Mr Foo Ko Hing and Mr Rivaie Rachman abstained from the Board's deliberation of his independence.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual represents a considerable concentration of power.

The roles of the Chairman and the Chief Executive Officer ("CEO") are separate and distinct, each having their own areas of responsibilities. The Company believes that a distinctive separation of responsibilities between the Chairman and the CEO will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The posts of Chairman and CEO are held by Mr Lim Hock San and Mr Eugene Cho Park respectively.

The Chairman, Mr Lim Hock San is primarily responsible for overseeing the overall management and strategic development of the Company.

His responsibilities include:

- Leading the Board in his role as Chairman of the Board
- Ensuring regular meetings (with the assistance of the Company Secretary) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- Preparing meeting agenda (in consultation with the CEO and CFO);
- Reviewing board papers that are presented to the Board;
- Ensuring effective communication with shareholders; and
- Promoting good corporate governance

In assuming his roles and responsibilities, Mr Lim Hock San consults with the Board, Audit Committee, Nominating Committee and Remuneration Committee on major issues and as such, the Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

The Company's CEO, Mr Eugene Cho Park is responsible for the day-to-day management of the Company and the Group's affairs. Mr Eugene Cho Park reports to the Board and ensures that policies and strategies adopted by the Board are implemented.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

The Nominating Committee ("NC") was constituted on 31 October 2006 and comprises three members, majority of whom including its Chairman are independent. The members of the NC are:

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

The primary function of the NC is to determine the criteria for identifying candidates and reviewing nominations for the appointment of directors to the Board and also to decide how the Board's performance may be evaluated and to propose objective performance criteria for the Board's approval.

The NC functions under the terms of reference which sets out its responsibilities:

(a) To review board succession plans for directors, in particular, the Chairman and CEO

(b) To develop the process for evaluation of the performance of the Board, its committees and directors and conduct a formal assessment of the effectiveness of the Board, Board Committees and contribution by each director.

(c) To review the training and professional development programs for the Board

(d) To recommend to the Board on all board appointments, re-appointments and re-nominations;

(e) To ensure that Independent Directors meet SGX-ST's guidelines and criteria.

The NC has conducted an annual review of the independence of the Independent Directors, using the criteria of independence in the Code, and has determined that they are independent.

Multiple Board Representations

The NC considers and it is of the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities, and for each Director to personally determine the demands of his or her competing directorships and obligations and assess the number of directorships they could hold and serve effectively.

Selection, Appointment and Re-appointment of Directors

Annually, the NC reviews the composition of the Board and Board committees having regard to the performance and contribution of each individual director and to ensure diversity of skills and experience within the Board and Board committees.

Where there is a resignation or retirement of an existing director, the NC will re-evaluate the Board composition to assess the competencies for the replacement. The NC will deliberate and propose the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NC could include among other things, whether the new director can add to or complement the mix of skills and qualifications in the existing Board, relevance of his experience and contributions to the business of the Company and the depth and breadth he could bring to Board discussions. Candidates are sourced through a network of contacts and identified based on the established criteria. Search can be made through relevant institutions such as the SID, professional organisations or business federations or external search consultants. New directors will be appointed by way of a Board resolution, after the NC makes the necessary recommendation to the Board.

The Articles of Association of the Company require that one-third of the Board retire from office at each Annual General Meeting ("AGM"). Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years.

The NC has recommended to the Board, the re-election of Mr Gianto Gunara, Dr Tan Chin Nam and Mr Foo Ko Hing who will retire by rotation and the re-appointment of Mr Rivaie Rachman who will retire pursuant to Section 153(6) of the Companies Act, at the forthcoming annual general meeting.

In making recommendation for the purpose of re-nomination of these Directors, the NC has taken into consideration these Directors' contribution and performance. The Board has accepted the NC's recommendation. Mr Gianto Gunara, Dr Tan Chin Nam, and Mr Foo Ko Hing and Mr Rivaie Rachman abstained from the Board's review of the NC's recommendation pertaining to each of their re-appointment and re-election.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees the contribution by each director to the effectiveness of the Board.

The NC has established a formal evaluation process to assess the effectiveness of the Board as a whole and peer assessment.

Each year, the Directors were requested to complete evaluation forms to assess the overall effectiveness of the Board and the Board Committees, as well as peer assessment. The results of the evaluation exercise were considered by the NC, which then made recommendations to the Board, aimed at assisting the Board to discharge its duties more effectively.

The evaluation focus on Board composition, maintenance of independence, Board information, Board process, Board accountability, communication with Management and standard of conduct.

The NC has reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year and is of the view that the performance of the Board as a whole has been satisfactory.

Access to Information

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

All Directors are from time to time furnished with information concerning the Company to enable them to be fully cognisant of the decisions and actions of the Company's executive management. The Board has unrestricted access to the Company's records and information.

Senior members of management provide information whenever necessary in the form of briefings to the Directors or formal presentations in attendance at Board meetings, or by external consultants engaged on specific projects.

The Board has separate and independent access to the Company Secretary and to other senior management executives of the Company and of the Group at all times in carrying out their duties. The Company Secretary attends all Board meetings and meetings of the Committees of the Company and ensure that Board procedures are followed and that applicable rules and regulations are complied with. The minutes of all Board Committees' meetings are circulated to the Board.

The Board takes independent professional advice, and when necessary, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to discharge its responsibilities effectively.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No director should be involved in deciding his own remuneration.

The Remuneration Committee ("RC") was constituted on 31 October 2006 and comprises three members, all of whom including its Chairman are independent. The members of the RC are:

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

The RC recommends to the Board a framework of remuneration for the Directors and Executive Officers, and determines specific remuneration package for each Executive Director. The RC's recommendations will be submitted for endorsement by the Board. The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company.

All aspects of remuneration, including but not limited to Directors' fee, salaries, allowances, bonuses and benefits in kind, will be covered by the RC. No member of the RC or any Director is involved in the deliberations in respect of any resolution in respect of his remuneration package.

The RC functions under the terms of reference which sets out its responsibilities:

(a) To recommend to the Board a framework for remuneration for the Directors and key executives of the Company;

(b) To determine specific remuneration packages for each Executive Director; and

(c) To review the appropriateness of compensation for Non-Executive Directors.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In setting remuneration packages, the Remuneration Committee will take into consideration the pay and employment conditions within the industry and in comparable companies. The remuneration of Non-Executive Directors is also reviewed to ensure that the remuneration is commensurate with the contribution and responsibilities of the Directors.

The Company will submit the quantum of Directors' fee of each year to the shareholders for approval at each AGM.

All the Executive Directors, including the Chief Executive Officer, have service agreements with the Company. The service agreements cover the terms of employment, salaries and other benefits. Non-Executive Directors have no service contracts with the Company.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

The summary compensation paid to the Directors and top five key executives of the Group during the financial year ended 31 December 2014 is set out below:

Remuneration of Directors

	Salary	Bonus	Directors' Fee	Allowances and Other Benefits	Total compensation
Directors	%	%	%	%	%
S$500,000 to S$999,999					
Eugene Cho Park Executive Director and Chief Executive Officer	55	39	–	6	100
Gianto Gunara Executive Director	55	38	–	7	100
Choo Kok Kiong Executive Director	54	38	–	8	100
Below S$500,000					
Lim Hock San Non-Executive Chairman and Independent Director	–	–	100	–	100
Jusak Kertowidjojo Executive Director	80	17	–	3	100
Dr Tan Chin Nam Non-Executive Director	–	–	100	–	100
Axton Salim Non-Executive Director	–	–	–	–	–
Foo Ko Hing Independent Director	–	–	100	–	100
Rivaie Rachman Independent Director	–	–	100	–	100

The Executive Directors who sit on the Board hold executive positions in the Group's Indonesian subsidiaries. Under Indonesian governance, there is no requirement for corporations in Indonesia to disclose the detailed remuneration of individual directors and executives. The disclosure in Singapore would affect the confidentiality of their remuneration. The Indonesian subsidiaries would be put into a position of unequal treatment in governing the confidentiality of their employees' remuneration. Such executives who are on the Board would be disadvantaged unfairly. In addition, given the highly competitive conditions in the market place where poaching of executives is not uncommon, it is not in the interest of the Company to disclose the remuneration of individual Executive Directors. The Board is of the view that it would be disadvantages to the Group to detail the remuneration of the Directors.

Each Independent Director's remuneration comprises wholly directors' fee of not more than S$500,000.

Remuneration of Key Management Personnel

The Code recommends that the Company should name and disclose the remuneration of at least the top five key management personnel in bands of S$250,000. The top key management personnel could be easily poached in the highly competitive market place vying for talent. The Board is of the view that the disclosure of their names and remuneration would be most disadvantageous to the Company.

The remuneration of each of the Company's top 4 key management personnel is above S$250,000. The aggregate total remuneration paid to the top 4 key management personnel is S$3,009,000.

REMUNERATION OF IMMEDIATE FAMILY MEMBER OF DIRECTORS OR THE CEO

No employee of the Company and its subsidiaries was an immediate family member of a Director or the CEO whose remuneration exceeded S$50,000 during the financial year ended 31 December 2014.

DETAILS OF EMPLOYEE SHARE SCHEMES

The Company does not have any employee share scheme for its employees.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Manual of the SGX-ST.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will be announced or issued within legally prescribed periods.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Audit Committee will ensure that a review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management, is conducted annually. In this respect, the Audit Committee will review the audit plans, and the findings of the auditors and will ensure that the Company follows up on the auditors' recommendations raised, if any, during the audit process.

The Group has in place a system of internal control and risk management for ensuring proper accounting records and reliable financial information as well as management of business risks with a view to safeguarding shareholders' investments and the Company's assets. The risk management framework implemented provides for systematic and structured review and reporting of the assessment of the degree of risk, evaluation and effectiveness of controls in place and the requirements for further controls.

For the financial year ended 31 December 2014, the Board has received assurance from the Chief Executive Officer and the Chief Financial Officer 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 regarding the effectiveness of the company's risk management and internal controls system.

Pursuant to Rule 1207(10) of the Listing Manual, the Board with the concurrence of the Audit Committee is satisfied with the adequacy of the internal controls addressing financial, operational and compliance risks.

Audit Committee

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC comprises three members. There are three members including the Chairman are Independent. The AC comprises the following members:

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

The AC functions under the terms of reference which sets out its responsibilities as follows:

(a) To review the financial statements of the Company and the Group before submission to the Board;

(b) To review the audit plans of the Company with the external auditors and the external auditors' reports;

(c) To review the internal controls and procedures (including adequacy of the finance functions and the quality of finance staff) and co-operation given by the Company's management to the external auditors;

(d) To review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations;

(e) To make recommendations to our Board on the appointment, re-appointment and removal of the external auditor;

(f) To review interested person transactions and potential conflicts of interest;

(g) To undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising;

(h) To generally undertake such other functions and duties as may be required by the statute, regulations or the Listing Manual, or by such amendments as may be made thereto from time to time; and

(i) To review arrangements by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting.

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. No member of the AC or any Director is involved in the deliberations and voting on any resolutions in respect of matters he is interested in.

The AC has full access to and co-operation of the Management and has full discretion to invite any Director or Executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC meets with both the external and internal auditors without the presence of the Management at least once a year.

The Company confirms that it has complied with Rules 712 and 715 of the Listing Manual in engaging Foo Kon Tan LLP ("FKT") registered with the Accounting and Corporate Regulatory Authority, as the external auditors of the Company and of its Singapore subsidiaries, and other suitable audit firms for its foreign subsidiaries. The AC reviews the independence of FKT annually. The AC, having reviewed the range and value of non-audit services performed by FKT was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. The AC recommended that Foo Kon Tan LLP be nominated for re-appointment as auditor at the forthcoming AGM. The AC had also reviewed the appointment of the external auditors of those subsidiaries who are not FKT and is satisfied that such appointment would not compromise the standard and effectiveness of the audit.

The aggregate amount of audit fees paid and payable by the Group to the external auditors for FY2014 was approximately S$1,269,000 of which audit fees amounted to approximately S$1,157,000 and non-audit fees amounted to approximately S$112,000.

The Company has in place a whistle-blowing framework.

Employees are free to bring complaints in confidence to the attention of their supervisors, the Human Resources Department. The recipient of such complaints shall forward them promptly to the Audit Committee Chairman. The Group will treat all information received confidentially and protect the identity and the interest of all whistleblowers. Following investigation and evaluation of a complaint, the AC Chairman shall report to the AC on recommended disciplinary or remedial action, if any. The action determined by the AC to be appropriated shall then be brought to the Board or to appropriate members of senior management for authorization and implementation respectively. An employee can access the AC Chairman directly to raise concern if he feels that it could not be effectively addressed at managerial level.

The policy is communicated to all employees as part of the Group's efforts to promote awareness of fraud control.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has engaged PricewaterhouseCoopers as its internal auditors. The internal auditors reports directly to the Chairman of the Audit Committee on all internal audit matters.

The primary functions of internal audit are to help:-

(a) assess if adequate systems of internal controls are in place to protect the assets of the Group and to ensure control procedures are complied with;

(b) assess if operations of the business processes under review are conducted efficiently and effectively; and

(c) identify and recommend improvement to internal control procedures, where required.

The Audit Committee has reviewed the Company's internal control assessment and based on the internal auditors' and external auditors' reports and the internal controls in place, it is satisfied that there are adequate internal controls in the Company.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders-AGM's and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

In line with continuous obligations of the Company pursuant to the SGX-ST's Listing Rules, the Board's policy is that all shareholders be informed of all major developments that impact the Group.

Information is disseminated to shareholders on a timely basis through:

(a) SGXNET announcements and news release;

(b) Annual Report prepared and issued to all shareholders;

(c) Press releases on major developments of the Group;

(d) Notices of and explanatory memoranda for AGM and extraordinary general meetings ("EGM"); and

(e) Company's website at www.gallantventure.com which shareholders can access information on the Group.

The Company's AGMs are the principal forums for dialogue with shareholders. The Chairmen of the Audit, Remuneration and Nominating Committees are normally available at the AGMs to answer any questions relating to the work of these Committees. The external auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders.

Shareholders are encouraged to attend the AGM/EGM to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Notice of the meeting will be advertised in newspapers and announced on SGXNET. The Notice for the forthcoming AGM does not carry a declaration of dividend for FY2014 and the Company will consider the declaration of dividend when the cash permits.

Dealing In Securities

The Company has adopted a policy on dealing in securities that is in accordance with Rule 1207(19) of the Listing Manual. The Company has procedures in place prohibiting dealings in the Company's shares by Directors and employees of the Company on short term considerations and during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the company's full year financial statements. Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading periods.

Interested Person Transactions Policy

The Company adopted an internal policy in respect of any transactions with interested person and has established procedures for review and approval of the interested person transactions entered into by the Group. The Audit Committee has reviewed the rationale and terms of the Group's interested person transactions and is of the view that the interested person transactions are on normal commercial terms and are not prejudicial to the interests of the shareholders.

The interested person transactions transacted for the financial year ended 31 December 2014 by the Group are as follows:

Name of Interested Person	Aggregate value of all interested person transactions conducted (excluding transactions less than $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 $100,000)
	S$'000	S$'000
PURCHASES		
PT Asuransi Central Asia		766
PT Sumalindo Alam Lestari		328
PT Indomarco Prismatama		287
PT Mentari Subur Abadi		110
SALES		
PT Alam Indah Bintan		(3,130)
PT Straits CM Village		(3,041)
PT Wolfsburg Auto Indonesia		(714)
PT Indofood CBP Sukses Makmur Tbk		(637)
PT Indomarco Prismatama		(304)
PT Swadharma Indotama Finance		(108)
PT Indofood Sukses Makmur Tbk		(118)
CONVERTIBLE BOND		
PT Alam Indah Bintan Interest income Extension on convertible bond	 (2,449) (47,500)	

Material Contracts

There was no material contracts entered into by the Company or any of its subsidiary companies involving the interest of the Chief Executive Officer, any Director, or controlling shareholder.

The Board is satisfied with the Group's commitment to compliance with the Code of Corporate Governance.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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

Names of Directors

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

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

Arrangements to enable Directors to acquire shares or debentures

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

Directors' interest in shares or debentures

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

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

Directors' benefits

Since the end of the previous financial year, no Director has received or has become entitled to receive a benefit under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50, except as disclosed in the accompanying financial statements and in this report, and except that certain Directors have an employment relationship with the Company, and have received remuneration in that capacity.

Share options scheme

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

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

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

Audit Committee

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Audit Committee (cont'd)

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

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

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

Independent auditor

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

On behalf of the Directors

EUGENE CHO PARK

GIANTO GUNARA

Dated: 2 April 2015

STATEMENT BY DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

In the opinion of the directors, the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of state of affairs of the Company and of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year ended on that date and 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.

On behalf of the Directors

EUGENE CHO PARK

GIANTO GUNARA

Dated: 2 April 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the financial statements

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

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair 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 control relevant to the entity's preparation and fair presentation of the financial statements 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 statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the financial 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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 2 April 2015

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	The Company		The Group		
		31 Dec 2014 $'000	31 Dec 2013 $'000	**31 Dec 2014 $'000**	31 Dec 2013 $'000 Restated	1 Jan 2013 $'000
Assets						
Non-Current						
Intangible assets	3	**261**	379	**805,013**	821,336	3,275
Property, plant and equipment	4	**59**	48	**676,393**	603,671	283,794
Investment properties	5	**–**	–	**164,675**	186,491	207,280
Subsidiaries	6	**2,557,260**	2,557,260	**–**	–	–
Associates	7	**–**	–	**239,393**	260,485	17,196
Financing receivables	8	**–**	–	**357,510**	346,477	–
Deferred tax assets	9	**6,211**	1,344	**44,087**	34,780	3,979
Other non-current assets	10	**10,159**	9,140	**646,074**	623,753	388,945
		2,573,950	2,568,171	**2,933,145**	2,876,993	904,469
Current						
Land inventories	11	**–**	–	**609,798**	597,092	585,796
Other inventories	12	**–**	–	**366,510**	478,534	11,320
Financing receivables	8	**–**	–	**408,575**	306,259	–
Trade and other receivables	13	**119,985**	121,295	**546,454**	409,253	58,332
Cash and cash equivalents	14	**525**	3,062	**161,292**	168,363	66,769
		120,510	124,357	**2,092,629**	1,959,501	722,217
Total assets		**2,694,460**	2,692,528	**5,025,774**	4,836,494	1,626,686
Equity and liabilities						
Share capital	15	**1,880,154**	1,880,154	**1,880,154**	1,880,154	1,207,642
(Accumulated losses)/retained profits		**(49,772)**	(618)	**102,014**	94,497	58,149
Reserves	16	**80,000**	80,000	**28,373**	16,610	(5,080)
Equity attributable to equity holders of the Company		**1,910,382**	1,959,536	**2,010,541**	1,991,261	1,260,711
Non-controlling interests		**–**	–	**174,525**	157,590	23,440
Total equity		**1,910,382**	1,959,536	**2,185,066**	2,148,851	1,284,151
Liabilities						
Non-Current						
Borrowings	17	**209,925**	494,888	**700,532**	923,783	211,933
Debt securities	18	**414,274**	87,201	**586,311**	345,894	–
Deferred tax liabilities	9	**–**	–	**97,882**	99,864	1,889
Employee benefits liabilities	19	**–**	–	**25,672**	21,647	11,896
Other non-current liabilities	20	**2,773**	90	**73,917**	80,240	41,389
		626,972	582,179	**1,484,314**	1,471,428	267,107
Current						
Trade and other payables	21	**19,037**	15,351	**386,462**	341,925	44,936
Borrowings	17	**137,503**	134,867	**811,804**	799,744	27,093
Debt securities	18	**–**	–	**141,594**	57,857	–
Current tax payable		**566**	595	**16,534**	16,689	3,399
		157,106	150,813	**1,356,394**	1,216,215	75,428
Total liabilities		**784,078**	732,992	**2,840,708**	2,687,643	342,535
Total equity and liabilities		**2,694,460**	2,692,528	**5,025,774**	4,836,494	1,626,686

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Year ended 31 December 2014 $'000	Year ended 31 December 2013 $'000 Restated
Revenue	24	**2,328,328**	1,854,748
Cost of sales		**(1,946,920)**	(1,596,277)
Gross profit		**381,408**	258,471
Other income	25	**120,011**	102,886
General and administrative expenses		**(151,947)**	(116,798)
Other operating expenses	26	**(164,250)**	(113,974)
Share of associate companies' result		**(30,625)**	7,820
Finance costs	27	**(131,625)**	(75,208)
Profit before taxation	28	**22,972**	63,197
Taxation	29	**(18,626)**	(10,281)
Profit after taxation		**4,346**	52,916
Other comprehensive income/(expense) after taxation:			
Items that are/may be reclassified subsequently to profit or loss			
Change in fair value of available-for-sales investments	16(d)	**5,558**	(7,191)
Change in fair value of derivative instruments, net of tax	16(c)	**(2,377)**	7,454
Currency translation differences	16(b)	**17,222**	(106,237)
Share of associate companies' other comprehensive income		**–**	3
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans	16(e)	**(158)**	1,279
Other comprehensive income/(expense) for the year after taxation	30	**20,245**	(104,692)
Total comprehensive income/(expense) for the year		**24,591**	(51,776)
Profit attributable to:			
- Equity holders of the Company		**7,517**	36,348
- Non-controlling interests		**(3,171)**	16,568
		4,346	52,916
Total comprehensive income/(expense) attributable to:			
- Equity holders of the Company		**19,939**	(31,968)
- Non-controlling interests		**4,652**	(19,808)
		24,591	(51,776)
		Cents	Cents
Earnings per share			
- Basic	31	**0.156**	0.904
- Diluted		**0.148**	0.868

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Attributable to owners of the Company									
	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2014, as restated	1,880,154	81,711	(72,641)	5,145	(4,267)	6,662	94,497	1,991,261	157,590	2,148,851
Profit for the year	–	–	–	–	–	–	7,517	7,517	(3,171)	4,346
Other comprehensive income	–	–	10,300	(1,699)	3,952	(131)	–	12,422	7,823	20,245
Total comprehensive income for the year	**–**	**–**	**10,300**	**(1,699)**	**3,952**	**(131)**	**7,517**	**19,939**	**4,652**	**24,591**
Dividends paid to non-controlling interest	–	–	–	–	–	–	–	–	(1,589)	(1,589)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	–	–	–	–	–	(659)	–	(659)	13,872	13,213
Balance at 31 December 2014	**1,880,154**	**81,711**	**(62,341)**	**3,446**	**(315)**	**5,872**	**102,014**	**2,010,541**	**174,525**	**2,185,066**

	Attributable to owners of the Company									
	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Hedging reserve $'000	Fair value Reserve $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2013	1,207,642	–	(2,242)	–	–	(2,838)	58,149	1,260,711	23,440	1,284,151
Profit for the year, as reported	–	–	–	–	–	–	47,462	47,462	22,735	70,197
Prior year adjustment (Note 39a)	–	–	–	–	–	–	(11,114)	(11,114)	(6,167)	(17,281)
Profit for the year, as restated	–	–	–	–	–	–	36,348	36,348	16,568	52,916
Other comprehensive expense	–	–	(70,399)	5,145	(4,267)	1,205	–	(68,316)	(36,376)	(104,692)
Total comprehensive expense for the year	–	–	(70,399)	5,145	(4,267)	1,205	36,348	(31,968)	(19,808)	(51,776)
Issue of ordinary shares	675,495	–	–	–	–	–	–	675,495	–	675,495
Issue of convertible bond-equity component	–	80,000	–	–	–	–	–	80,000	–	80,000
Dividends paid to non-controlling interest, as restated	–	–	–	–	–	–	–	–	(3,574)	(3,574)
Acquisition of subsidiary with non-controlling interests, as restated	–	–	–	–	–	–	–	–	503,629	503,629
Share issue expenses	(2,983)	–	–	–	–	–	–	(2,983)	–	(2,983)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest, as restated	–	1,711	–	–	–	8,295	–	10,006	(346,097)	(336,091)
Balance at 31 December 2013, as restated	1,880,154	81,711	(72,641)	5,145	(4,267)	6,662	94,497	1,991,261	157,590	2,148,851

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Year ended 31 December 2014 $'000	Year ended 31 December 2013 $'000 Restated
Cash Flows from Operating Activities			
Profit before taxation		**22,972**	63,197
Adjustments for:			
Amortisation of intangible assets		**16,404**	10,876
Depreciation of property, plant and equipment and investment properties		**106,450**	83,392
Currency translation difference		**29,604**	(173,258)
Loss on disposal of property, plant and equipment		**(33,174)**	(26,266)
Impairment/(reversal) of trade and other receivables		**5,021**	(2,469)
Allowance for inventories obsolescence		**11**	(174)
Provision for employees' benefits		**4,674**	3,509
Interest expense		**131,625**	75,208
Interest income		**(27,103)**	(24,822)
Gain on present value of non-convertible bond		**–**	(20,579)
Gain on disposal of a subsidiary		**(10,496)**	–
Loss on disposal of an associate		**–**	528
Fair value loss/(gain) on derivative instruments		**2,683**	(11,376)
Share of associates' result		**30,625**	(7,820)
Operating profit/(loss) before working capital changes		**279,296**	(30,054)
Increase in land inventories		**(12,706)**	(11,296)
Decrease in other inventories		**112,028**	47,431
(Increase)/decrease in operating receivables		**(206,950)**	270
Increase/(decrease) in operating payables		**92,219**	(52,118)
Cash generated from/(used in) operating activities		**263,887**	(45,767)
Income tax paid		**(36,361)**	(50,700)
Interest paid		**(173,217)**	(91,877)
Interest received		**6,731**	2,017
Employee benefit paid		**(936)**	(669)
Deposits refunded to tenants/golf members		**(155)**	(2,194)
Net cash generated from/(used in) operating activities		**59,949**	(189,190)
Cash Flows from Investing Activities			
Acquisition of intangible assets		**(81)**	(414)
Acquisition of property, plant and equipment		**(180,488)**	(100,598)
Acquisition of investment properties		**(588)**	(379)
Dividend from associates		**4,346**	4,454
Proceeds from disposal of property, plant and equipment		**50,930**	54,652
Acquisition of subsidiaries, net cash outflow on acquisition	[A]	**–**	(919,281)
Acquisition of associates		**(26,584)**	(37,181)
Disposal of subsidiaries, net of cash disposal	[B]	**2,710**	–
Acquisition of other assets		**(33)**	(4)
Net cash used in investing activities		**(149,788)**	(998,751)

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

	Note	Year ended 31 December 2014 $'000	Year ended 31 December 2013 $'000 Restated
Cash Flows from Financing Activities			
Subscription of convertible bond		–	80,000
Proceeds from other financing activities		404,256	131,917
Repayment of other financing activities		(94,148)	(9,264)
Acquisition of non-controlling interests		–	(346,097)
Proceeds from bank borrowings		730,433	819,155
Repayment of bank borrowings		(959,721)	(53,196)
Share issue expenses		–	(2,983)
Proceeds from issuance of right issue		–	675,495
Dividends paid to non-controlling interests		(1,589)	(3,574)
Net cash generated from financing activities		79,231	1,291,453
(Decrease)/increase in cash and cash equivalents		(10,608)	103,512
Cash and cash equivalents at beginning of year		168,363	66,769
Effect of currency translation on cash and cash equivalent		3,537	(1,918)
Cash and cash equivalents at end of year	14	161,292	168,363

Note A: Acquisition of Subsidiaries

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

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

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

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

Note A: Acquisition of Subsidiaries (cont'd)

	Fair value recognised on acquisition $'000
Total borrowings	(1,241,885)
Deferred tax liabilities	(103,131)
Trade and other payables	(308,405)
Other current liabilities	(13,031)
Other non-current liabilities	(15,149)
Non-controlling interest	(62,947)
	(1,744,548)
Total identifiable net asset acquired, measured at fair value	484,194
Goodwill arising from acquisition (Note 3)	504,037
	988,186
Consideration transferred for the acquisition	
Cash	803,483
Issued of convertible and non-convertible bonds	184,703
	988,186
Effect of the acquisition on cash flows	
Cash consideration	988,186
Cash and cash equivalents acquired	(68,905)
Cash outflow on acquisition	919,281

The provisional goodwill of $1.27 billion arising from the acquisition of PT IMAS in May 2013 was adjusted accordingly to $504 million following the completion of the PPA in May 2014.

Note B: Disposal of a Subsidiary

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

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

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

1 General information

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

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

The registered office and the principal place of business is at 991A Alexandra Road #02-06/07, Singapore 119969.

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

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

2(a) Basis of preparation

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

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

Significant accounting estimates and judgements

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

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

a. Income taxes (Note 29)

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

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

Significant accounting estimates and judgements (cont'd)

b. Operating lease commitments - as lessor (Note 32 (b))

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

c. Classification of investment properties (Note 5)

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

d. Determination of functional currency

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

e. Allowance for impairment losses on receivables (Notes 8, 13)

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

f. Deferred tax assets (Note 9)

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

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

Critical accounting estimates and assumptions used in applying accounting policies

a. Pension and employee benefits (Note 19)

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

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

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

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

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

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

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

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

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

c. Amortisation of intangible assets (Note 3)

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

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

d. Depreciation of investment properties (Note 5)

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

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

e. Fair value of financial instruments

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

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

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

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

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

e. Fair value of financial instruments (cont'd)

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

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

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

- Note 23 – Derivative financial instruments

The carrying amount of the Group's derivative financial assets as at 31 December 2014 is $59,231,000 (2013 - $69,164,000) and the carrying amounts of the Company's and the Group's derivative financial liabilities as at 31 December 2014 are $2,683,000 (2013 – $Nil) and $45,067,000 (2013 - $51,546,000) respectively. If the fair value of the Group's derivative financial assets and the Company's and the Group's derivative financial liabilities increase/decrease by 10%, the Group's profit for the year will decrease/increase by $268,000 (2013 - $Nil) and the Group's other comprehensive income for the year will increase/decrease by $1,685,000 (2013 - $1,762,000).

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

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

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

g. Impairment of goodwill (Note 3)

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

This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period and use of estimates (Note 3). The carrying amount of goodwill as at 31 December 2014 amounts to $507,161,000 (2013 - $507,161,000).

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

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

h. Land inventories (Note 11)

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

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

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

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

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

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

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

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

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

FRS 112 Disclosure of Interests in Other Entities

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

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

2(c) FRS not yet effective

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

Reference	Description	Effective date (Annual period beginning on or after)
Amendments to FRS 19	Defined Benefit Plan: Employee Contribution	1 July 2014
Improvements to FRSs (January 2014)		
- FRS 16, FRS 38	Property, Plant and Equipment & Intangible Assets	1 July 2014
- FRS 24	Related Party Disclosures	1 July 2014
- FRS 102	Share Based Payments	1 July 2014
- FRS 103	Business Combinations	1 July 2014
- FRS 108	Operating Segments	1 July 2014
Improvements to FRSs (February 2014)		
- FRS 40	Investment Property	1 July 2014
- FRS 103	Business Combinations	1 July 2014
- FRS 113	Fair Value Measurement	1 July 2014
FRS 114	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 1	Presentation of Financial Statements	1 January 2016
Amendments to FRS 27	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16, FRS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 16, FRS 41	Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 111	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 110, FRS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Improvements to FRSs (November 2014)		
- FRS 34	Interim Financial Reporting	1 January 2016
- FRS 19	Employee Benefits	1 January 2016
- FRS 105	Non-current Assets Held for Sales and Discontinued Operations	1 January 2016
- FRS 107	Financial Instruments: Disclosure	1 January 2016
FRS 115	Revenue from Contracts with Customers	1 January 2017
FRS 109	Financial Instruments	1 January 2018

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

Amendments to FRS 19

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

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

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

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

Improvements to FRS (January 2014) FRS 108 Operating Segments

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

Improvements to FRS (January 2014) FRS 103 Business Combinations

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

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

Improvements to FRS (February 2014) FRS 40 Investment Property

The Improvements to FRSs (February 2014) FRS 40 Investment Property clarifies that FRS 40 and FRS 103 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring an investment property must determine whether (a) the property meets the definition of investment property in FRS 40 and (b) the transaction meets the definition of a business combination under FRS 103.

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

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

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

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

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

FRS 115 Revenue from Contracts with Customers

FRS115 Revenue from Contracts with Customers requires an entity to recognise revenue which depict transfer of promised goods or services to customers in an amount that reflects the consideration (payment) to which the entity expects to entitled in exchange for those goods or services.

The Group is currently assessing the impact to the financial statements.

FRS 109 Financial Instruments

FRS 109 Financial Instruments replaces FRS39 and it is a package of improvements introduced by FRS 109 includes a logical model for:

- classification and measurement
- a single, forward – looking "expected loss" impairment model and
- a substantially reformed approach to hedge accounting

The Group is currently assessing the impact to the financial statements.

Amendments to FRS 1 Presentation of Financial Statements

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

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

2(d) Significant accounting policies

(i) Consolidation

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

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

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

(i) Consolidation (cont'd)

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

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

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

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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

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

- power over the investee;
- exposure, or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

(i) Consolidation (cont'd)

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Transactions with Non-Controlling Interest

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

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

(ii) Intangible assets

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

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

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

(ii) Intangible assets (cont'd)

a. Goodwill

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

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

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

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

b. Dealerships and distributorships

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

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

(iii) Property, plant and equipment and depreciation

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

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

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

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

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

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

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

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

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

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

(iv) Investment properties

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

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

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

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

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

(iv) Investment properties (cont'd)

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

(v) Investment in subsidiaries

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

(vi) Investment in associates

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

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

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

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

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

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

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

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

(vi) Investment in associates (cont'd)

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

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

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

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

(vii) Land inventories

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

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

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

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

(viii) Other inventories

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

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

(ix) Financial assets

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

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

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

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

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

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

a. Loans and receivables

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

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

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

(ix) Financial assets (cont'd)

b. Available-for-sale financial assets

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

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

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

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

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

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

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

c. Determination of fair value

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

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

(x) Financing receivables

a. Consumer financing receivables

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

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

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

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

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

b. Net investment in financing leases

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

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

(xi) Foreclosed assets

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

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

(xi) Foreclosed assets (cont'd)

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

(xii) Golf membership

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

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

(xiii) Cash and cash equivalents

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

(xiv) Share capital

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

(xv) Financial liabilities

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

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

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

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

(xv) Financial liabilities (cont'd)

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

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

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

Convertible bonds

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

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

Trade and other payables

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

(xvi) Derivative financial instruments and hedging activities

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

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

(xvi) Derivatives financial instruments and hedging activities (cont'd)

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

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

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

<u>Cash flow hedge</u>

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

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

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

<u>Derivatives financial instruments not designated as hedging instruments</u>

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

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

(xvii) Leases

Where the Group is the Lessee,

Finance leases

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

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

Operating leases

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

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

Where the Group is the lessor,

Finance leases

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

Operating leases

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

(xviii) Income tax

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

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

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

(xviii) Income tax (cont'd)

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

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

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

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

Deferred income tax is measured:

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

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

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

(xix) Employee benefits

Pension obligations

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

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

(xix) Employee benefits (cont'd)

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

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

Employee leave entitlements

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

Provisions for employee service entitlements

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

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

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

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

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

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

(xix) Employee benefits (cont'd)

Key management personnel

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

(xx) Impairment of non-financial assets

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

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

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

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

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

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

With the exception of goodwill,

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

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

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

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

(xxi) Related parties

A related party is defined as follows:

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

(i) has control or joint control over the Company;
(ii) has significant influence over the Company; or
(iii) is a member of the key management personnel of the Company or the Group or of a parent of the Company.

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

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) both entities are joint ventures of the same third party.
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
(vi) the entity is controlled or jointly controlled by a person identified in (a).
(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(xxii) Revenue recognition

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

a) Sales of goods

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

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

(xxii) Revenue recognition (cont'd)

b) Sales of land and factory

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

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

The Group also considers:

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

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

c) Financial Services

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

d) Rendering of services

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

e) Resort operations and ferry services

Revenue is recognised when the services are rendered.

f) Golf and social facilities revenue

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

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

(xxii) Revenue recognition (cont'd)

g) Rental income and rendering of service and maintenance

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

h) Telecommunication service

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

i) Clinic operation

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

j) Utilities revenue

Revenue from electricity and water supply is recognised upon delivery.

k) Interest income

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

l) Dividends

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

(xxiii) Borrowing costs

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

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

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

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

(xxiv) Bond issuance costs

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

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

(xxv) Functional currencies

Functional and presentation currency

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

(xxvi) Conversion of foreign currencies

Transactions and balances

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

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

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

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

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

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

Group entities

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

(i) Assets and liabilities are translated at the closing rates at the end of the financial position date;

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

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

(xxvii) Operating segments

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

3 Intangible assets

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

3 Intangible assets (cont'd)

The Group	Goodwill $'000	Dealerships & Distributorships $'000 Restated	Computer software $'000	Total $'000
Cost				
At 1 January 2012	1,164	–	1,066	2,230
Additions	2,020	–	88	2,108
At 31 December 2012	3,184	–	1,154	4,338
Acquisition of subsidiaries	504,037	324,546	–	828,583
Reclassification to other category of assets	(60)	–	–	(60)
Additions	–	–	414	414
Disposal	–	–	(15)	(15)
At 31 December 2013 (restated)	507,161	324,546	1,553	833,260
Additions	**–**	**–**	**81**	**81**
At 31 December 2014	**507,161**	**324,546**	**1,634**	**833,341**
Accumulated amortisation				
At 1 January 2012	–	–	886	886
Amortisation for the year	–	–	177	177
At 1 January 2013	–	–	1,063	1,063
Amortisation for the year	–	10,818	58	10,876
Disposal	–	–	(15)	(15)
At 31 December 2013 (restated)	–	10,818	1,106	11,924
Amortisation for the year	**–**	**16,227**	**177**	**16,404**
At 31 December 2014	**–**	**27,045**	**1,283**	**28,328**
Net book value				
At 31 December 2014	**507,161**	**297,501**	**351**	**805,013**
At 31 December 2013 (restated)	507,161	313,728	447	821,336
At 31 December 2012	3,184	–	91	3,275

3 Intangible assets (cont'd)

a. Goodwill

Impairment test for Goodwill

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

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

The Group	2014 $'000	2013 $'000 Restated
Resort operations	1,164	1,164
Property Development	1,960	1,960
Automotive	504,037	504,037
	507,161	507,161

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

Key assumptions used for value-in-use calculations:

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

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

(1) Budgeted gross margin

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

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

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

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

3 Intangible assets (cont'd)

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

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

4 Property, plant and equipment

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

4 Property, plant and equipment (cont'd)

The Group	Balance at 1.1.2014 $'000	Exchange translation difference $'000	Additions $'000	Reclassifi-cation/ transfers $'000	Disposals $'000	Balance at 31.12.2014 $'000
Cost						
Leasehold land	205,925	3,884	41,719	2,453	(8,104)	245,877
Land improvements	5,176	–	–	–	–	5,176
Landfill	4,242	–	–	–	–	4,242
Building and infrastructures	286,692	1,744	14,488	8,213	(1,082)	310,055
Golf course	25,307	–	–	–	–	25,307
Utilities plant and machinery	308,744	–	360	76	(290)	308,890
Machinery and equipment	149,546	3,166	26,420	16,514	(1,957)	193,689
Vessels and ferry equipment	52,630	–	2,294	–	(1,176)	53,748
Working wharf	1,685	–	–	–	–	1,685
Transportation equipment and vehicles	186,101	4,217	9,651	19,620	(7,006)	212,583
Medical equipment	819	–	–	–	–	819
Furniture, fixtures and equipment	26,389	9	740	38	(82)	27,094
Office equipment	53,370	1,526	5,245	190	(1,030)	59,301
Resort equipment	2,417	–	23	46	(20)	2,466
Reservoir	9,713	–	–	–	–	9,713
Telecommunication equipment	10,590	131	204	–	–	10,925
Leasehold improvements	8,998	894	707	2,548	(285)	12,862
Construction-in-progress	25,823	(1,667)	78,637	(75,540)	(5,377)	21,876
Total	1,364,167	13,904	180,488	(25,842)	(26,409)	1,506,308

4 Property, plant and equipment (cont'd)

The Group	Balance at 1.1.2014 $'000	Exchange translation difference $'000	Depreciation for the year $'000	Reclassifi -cation/ transfers $'000	Disposals $'000	Balance at 31.12.2014 $'000
Accumulated depreciation						
Leasehold land	88,696	1,185	6,038	(272)	(32)	95,615
Land improvements	3,990	–	248	–	–	4,238
Landfill	2,104	–	288	–	–	2,392
Building and infrastructures	187,679	566	15,603	(3)	(131)	203,714
Golf course	10,846	–	544	–	–	11,390
Utilities plant and machinery	237,665	–	10,844	–	(290)	248,219
Machinery and equipment	84,870	1,475	8,764	(59)	(1,678)	93,372
Vessels and ferry equipment	29,138	–	2,789	–	(1,172)	30,755
Working wharf	1,685	–	–	–	–	1,685
Transportation equipment and vehicles	51,477	1,221	27,025	(10,702)	(4,296)	64,725
Medical equipment	751	–	16	–	–	767
Furniture, fixtures and equipment	20,509	8	1,116	–	(81)	21,552
Office equipment	22,775	452	8,611	30	(905)	30,963
Resort equipment	2,289	–	52	–	(20)	2,321
Reservoir	5,831	–	353	–	–	6,184
Telecommunication equipment	6,832	89	481	–	–	7,402
Leasehold improvements	3,359	130	1,121	59	(48)	4,621
Total	760,496	5,126	83,893	(10,947)	(8,653)	829,915

4 Property, plant and equipment (cont'd)

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

4 Property, plant and equipment (cont'd)

The Group	Balance at 1.1.2013 $'000	Exchange translation difference $'000	Acquisition of subsidiaries $'000	Additions $'000	Reclassifi -cation/ transfers $'000	Disposals $'000	Balance at 31.12.2013 $'000
Cost							
Leasehold land	98,460	(23,123)	134,914	5,901	605	(10,832)	205,925
Land improvements	5,176	–	–	–	–	–	5,176
Landfill	4,242	–	–	–	–	–	4,242
Building and infrastructures	217,040	(10,489)	70,672	7,147	3,665	(1,343)	286,692
Golf course	25,307	–	–	–	–	–	25,307
Utilities plant and machinery	308,139	–	–	58	764	(217)	308,744
Machinery and equipment	58,528	(2,903)	85,386	10,366	(842)	(989)	149,546
Vessels and ferry equipment	51,476	–	–	1,162	–	(8)	52,630
Working wharf	1,685	–	–	–	–	–	1,685
Transportation equipment and vehicles	5,991	(27,848)	178,231	5,108	28,136	(3,517)	186,101
Medical equipment	819	–	–	–	–	–	819
Furniture, fixtures and equipment	25,130	(143)	–	527	978	(103)	26,389
Office equipment	4,407	(4,955)	38,391	15,484	197	(154)	53,370
Resort equipment	2,409	–	–	13	30	(35)	2,417
Reservoir	9,713	–	–	–	–	–	9,713
Telecommunication equipment	12,358	(2,085)	–	298	25	(6)	10,590
Leasehold improvements	1,032	2,139	143	2,515	3,169	–	8,998
Construction-in-progress	9,408	(2,115)	29,147	52,019	(48,188)	(14,448)	25,823
Total	841,320	(71,522)	536,884	100,598	(11,461)	(31,652)	1,364,167

4 Property, plant and equipment (cont'd)

The Group	Balance at 1.1.2013 $'000	Exchange translation difference $'000	Acquisition of subsidiaries $'000	Depreciation for the year $'000	Reclassifi-cation/ transfers $'000	Disposals $'000	Balance at 31.12.2013 $'000
Accumulated depreciation							
Leasehold land	32,334	(11,904)	63,656	5,135	(223)	(302)	88,696
Land improvements	3,742	–	–	248	–	–	3,990
Landfill	1,816	–	–	288	–	–	2,104
Building and infrastructures	156,886	(3,532)	21,798	12,519	375	(367)	187,679
Golf course	10,302	–	–	544	–	–	10,846
Utilities plant and machinery	226,558	–	–	11,324	–	(217)	237,665
Machinery and equipment	52,529	(1,812)	29,050	6,112	131	(1,140)	84,870
Vessels and ferry equipment	25,896	–	–	3,248	–	(6)	29,138
Working wharf	1,685	–	–	–	–	–	1,685
Transportation equipment and vehicles	5,323	(7,392)	45,390	15,124	(5,071)	(1,897)	51,477
Medical equipment	733	–	–	18	–	–	751
Furniture, fixtures and equipment	19,409	(132)	–	1,333	–	(101)	20,509
Office equipment	3,500	(2,778)	18,745	3,090	329	(111)	22,775
Resort equipment	2,249	–	–	74	–	(34)	2,289
Reservoir	5,478	–	–	353	–	–	5,831
Telecommunication equipment	8,054	(1,721)	–	505	–	(6)	6,832
Leasehold improvements	1,032	280	102	1,016	–	929	3,359
Construction-in-progress	–	(95)	124	(29)	–	–	–
Total	557,526	(29,086)	178,865	60,902	(4,459)	(3,252)	760,496

4 Property, plant and equipment (cont'd)

The Group	Balance at 31.12.2013 $'000	Balance at 1.1.2013 $'000
Net book value		
Leasehold land	117,229	66,126
Land improvements	1,186	1,434
Landfill	2,138	2,426
Building and infrastructures	99,013	60,154
Golf course	14,461	15,005
Utilities plant and machinery	71,079	81,581
Machinery and equipment	64,676	5,999
Vessels and ferry equipment	23,492	25,580
Working wharf	–	–
Transportation equipment and vehicles	134,624	668
Medical equipment	68	86
Furniture, fixtures and equipment	5,880	5,721
Office equipment	30,595	907
Resort equipment	128	160
Reservoir	3,882	4,235
Telecommunication equipment	3,758	4,304
Leasehold improvements	5,639	–
Construction-in-progress	25,823	9,408
Total	603,671	283,794

Depreciation expense

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

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

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

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

4 Property, plant and equipment (cont'd)

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

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

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

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

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

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

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

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

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

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

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

4 Property, plant and equipment (cont'd)

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

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

5 Investment properties

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

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

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

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

6 Subsidiaries

	2014 $'000	2013 $'000
The Company		
- quoted equity securities	**1,349,384**	1,349,384
- unquoted equity securities	**1,207,876**	1,207,876
	2,557,260	2,557,260

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

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

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

Note:

(1) Audited by Purwantono, Suherman & Surja, a member firm of Ernst & Young Global Limited
(2) Audited by Kosasih, Nurdiyaman, Tjahjo & Rekan, a member firm of Crowe Horwath International
(3) Audited by Drs Johan Malonda Mustika & Rekan

6 Subsidiaries (cont'd)

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

Principal activities	Place of incorporation/ and operation	Number of subsidiaries	
		2014	2013
Car rental	Indonesia	**4**	4
Development, operation and management of industrial park/ resorts / residential / country club	Indonesia	**5**	5
Distributor / dealership	Indonesia	**47**	47
Dormant	Singapore	**1**	1
Dormant	Indonesia	**1**	1
Financing	Indonesia	**1**	1
Investment holding	British Virgin Islands	**3**	5
Investment holding	Indonesia	**2**	2
Investment holding	Malaysia	**1**	1
Investment holding	Seychelles	**1**	1
Investment holding	Singapore	**1**	1
Logistic	Indonesia	**1**	–
Management and consultancy services	Indonesia	**2**	2
Management and consultancy services	Singapore	**2**	2
Manufacturing / assembling	Indonesia	**2**	2
Mining and exploration	Indonesia	**1**	1
Plantation / Forestry contractor	Indonesia	**2**	1
Press and dies manufacturing	Indonesia	**2**	2
Provision of ferry services	Singapore	**1**	1
Telecommunication services	Indonesia	**1**	1
Trading	Indonesia	**8**	7
Workshop/gas station	Indonesia	**2**	2
		91	90

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

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

6 Subsidiaries (cont'd)

a. Summarised Consolidated Statement of Financial Position

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

b. Summarised Consolidated Statement of Comprehensive Income

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

6 Subsidiaries (cont'd)

c. Summarised Consolidated Statement of Cash Flows

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

7 Associates

The Group	2014	2013	2012
	$'000	$'000	$'000
		Restated	
Unquoted equity investments, at cost			
Beginning of the year	**289,863**	14,709	14,709
Acquisition of subsidiaries	**–**	238,501	–
Additions during the year	**26,584**	37,181	–
Disposal during the year	**(16,634)**	(528)	–
	299,813	289,863	14,709
Exchange translation difference	**3,929**	(35,236)	(42)
Share of post-acquisition reserves	**(60,003)**	10,312	2,649
Dividend paid by associates companies	**(4,346)**	(4,454)	(120)
	239,393	260,485	17,196

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

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

7 Associates (cont'd)

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

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by Group	
			2014	2013
Indirectly held through PT IMAS's subsidiaries			**%**	%
PT Hino Motor Sales Indonesia ("PT HMSI") (1)	Distributor	Indonesia	**28.6**	28.6
PT Nissan Motor Indonesia ("PT NMI") (1)	Manufacturing	Indonesia	**17.87**	17.87
PT Nissan Motor Distributor Indonesia ("PT NMDI") (1)	Distributor	Indonesia	**17.87**	17.87
PT Swadharma Indotama Finance ("PT SIF") (2)	Financing	Indonesia	**17.56**	17.56

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

(2) Audited by Johan Malonda Mustika & Rekan

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

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

a. Summarised Statement of Financial Position

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

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

7 Associates (cont'd)

b. Summarised Statement of Comprehensive Income

	PT HMSI Year ended		PT NMI Year ended	
	31.12.2014 S$'000	31.12.2013 S$'000	**31.12.2014 S$'000**	31.12.2013 S$'000
Revenue	**750,311**	1,072,434	**513,853**	654,030
Profit from continuing operations	**(15,024)**	11,266	**(18,483)**	15,750
Post-tax profit/(loss) from discontinued operations	**–**	–	**–**	–
Other comprehensive income for the year	**–**	–	**–**	–
Total comprehensive income for the year	**(15,024)**	11,266	**(18,483)**	15,750
Dividends received from the associate during the year	**9,144**	7,609	**–**	–

	PT NMDI Year ended		PT SIF Year ended	
	31.12.2014 S$'000	31.12.2013 S$'000	**31.12.2014 S$'000**	31.12.2013 S$'000
Revenue	**643,958**	790,759	**14,337**	10,668
Profit from continuing operations	**(10,504)**	(15,530)	**489**	1,722
Post-tax profit/(loss) from discontinued operations	**–**	–	**–**	–
Other comprehensive income for the year	**–**	–	**–**	–
Total comprehensive income for the year	**(10,504)**	(15,530)	**489**	1,722
Dividends received from the associate during the year	**–**	–	**–**	–

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

	2014 $'000	2013 $'000
Net assets of the associate	**507,291**	621,304
Proportion of the Group's ownership interest in the associate	**136,452**	166,902
Goodwill	**–**	–
Other adjustments (PPA adjustment)	**67,049**	67,049
Carrying amount of the Group's interest in the associate	**203,501**	233,951

7 Associates (cont'd)

Aggregate information of associates that are not individually material

Summarised Statement of Comprehensive Income

	2014 $'000	2013 $'000
Profit from continuing operations	**(30,625)**	7,820
Post-tax profit/(loss) from discontinued operations	**–**	–
Other comprehensive income for the year	**–**	–
Total comprehensive income for the year	**(30,625)**	7,820

8 Financing receivables

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

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

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

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

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

8 Financing receivables (cont'd)

(a) Consumer financing receivables-net

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

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

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

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

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

8 Financing receivables (cont'd)

(a) Consumer financing receivables-net (cont'd)

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

The consumer financing receivables are denominated in the following currencies:

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

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

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

(b) Net investment in financing leases

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

Gross investments include unearned lease income.

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

8 Financing receivables (cont'd)

(b) Net investment in financing leases (cont'd)

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

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

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

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

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

9 Deferred taxation

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

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

9 Deferred taxation (cont'd)

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

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

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

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

9 Deferred taxation (cont'd)

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

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

9 Deferred taxation (cont'd)

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

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

9 Deferred taxation (cont'd)

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

Unrecognised taxable temporary differences associated with investments in subsidiaries and associates

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

10 Other non-current assets

	Note	The Company 2014 $'000	The Company 2013 $'000	The Group 2014 $'000	The Group 2013 $'000 Restated
Unquoted investments in shares of stock					
- at cost					
Beginning of the year		**–**	–	**37,043**	10,000
Acquisition of subsidiaries		**–**	–	**–**	33,042
Addition during the year		**–**	–	**33**	4
Translation differences		**–**	–	**590**	(6,003)
				37,666	37,043
- allowance for impairment losses	(i)	**–**	–	**(10,000)**	(10,000)
		–	–	**27,666**	27,043

10 Other non-current assets (cont'd)

		The Company		The Group	
		2014	2013	**2014**	2013
	Note	**$'000**	$'000	**$'000**	$'000 Restated
Quoted investment in shares of stock					
Beginning of the year		**–**	–	**72,120**	–
Acquisition of subsidiaries		**–**	–	**–**	94,906
Fair value reserve		**–**	–	**5,558**	(7,191)
Translation differences		**–**	–	**1,689**	(15,595)
	(ii)	**–**	–	**79,367**	72,120
Derivative assets	23	**–**	–	**59,231**	69,164
Loan receivable	(iii)	**–**	–	**47,500**	47,500
Note receivables	(iv)	**6,617**	6,343	**260,957**	260,683
Golf membership	(v)	**–**	–	**1,607**	1,680
Interest receivable from notes receivable	(iv)	**3,354**	2,609	**117,931**	98,751
Estimated claims for tax refund		**–**	–	**32,727**	25,064
Restrictive cash in banks and time deposits		**–**	–	**928**	905
Other receivables		**–**	–	**17,169**	19,448
Prepayment and deposits		**188**	188	**991**	1,395
		10,159	9,140	**646,074**	623,753

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

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

Subsequent to the end of the reporting period, there was a further decline on the quoted prices of the available-for-sale financial assets which would have resulted in a further of fair value of $13,482,000.

10 Other non-current assets (cont'd)

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

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

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

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

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

(iv) Market Strength Limited ("MSL")

On 10 March 2010, the Group entered into an Investment Agreement with Market Strength Limited ("MSL") which has the right to acquire interest in prime property in Lao Xi Men ("LXM"), Shanghai, the People's Republic of China and subscribed US$202,500,000 notes ($272,100,000) with detachable warrants.

The notes bear interest at 6 month SIBOR plus 5.75% per annum and at 6 month LIBOR plus 5.75% per annum for US$72,500,000 and US$130,000,000 respectively from total notes. On 22 February 2012, the terms of the notes have been amended by way of a supplemental deed. The notes now bear interest at 3 month LIBOR plus 6.25% per annum and 3 month LIBOR plus 7% per annum for US$52,500,000 and US$150,000,000 respectively.

It matures in February 2018 (previously December 2014).

The proceeds of the issuance of the notes with warrants will be utilised in connection with the acquisition of the above property.

Each warrant entitles the Group to subscribe for one new share in MSL at an exercise price for each new share equal to its par value. The exercise price for each warrant (which is subject to adjustment under certain circumstances) is US$1 and the aggregate exercise price for the warrants is US$202,500,000. Payment of the exercise price shall be made in cash or notes of principal amount equal to the full amount of the exercise price payable in respect of the warrants exercised, or a combination of both. At 31 December 2014, all the warrants remain unexercised.

10 Other non-current assets (cont'd)

(iv) Market Strength Limited ("MSL") (cont'd)

Super Concord Holdings Limited

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

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

11 Land inventories

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

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

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

12 Other inventories

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

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

12 Other inventories (cont'd)

Movements in the allowance for inventories obsolescence are as follows:

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

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

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

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

13 Trade and other receivables

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

13 Trade and other receivables (cont'd)

Trade and other receivables are denominated in the following currencies:

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

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

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

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

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

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

13 Trade and other receivables (cont'd)

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

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

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

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

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

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

14 Cash and cash equivalents

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

(i) Interest rates on time deposits (per annum) are as follows:

	2014	2013
Singapore dollar	**0.05%**	0.05%
Indonesian rupiah	**4.5% - 10.75%**	4.5% - 12%

(ii) The cash and cash equivalents are denominated in the following currencies:

	The Company		The Group	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Singapore dollar	**389**	253	**25,141**	28,378
United States dollar	**6**	2,804	**27,386**	23,422
Indonesian rupiah	**126**	–	**106,356**	115,493
Others	**4**	5	**2,409**	1,070
	525	3,062	**161,292**	168,363

15 Share capital

The Company and the Group	No. of ordinary share	Amount $'000
2014		
Issued and fully paid, with no par value		
Beginning and end of financial year	**4,824,965,112**	**1,880,154**
2013		
Issued and fully paid, with no par value		
Beginning of financial year	2,412,482,556	1,207,642
Shares issued	2,412,482,556	675,495
Share issue expenses	–	(2,983)
End of financial year	4,824,965,112	1,880,154

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets. The shares have no par value.

In prior year, the Company issued 2,412,482,556 ordinary shares for a total consideration of $675,495,116 for cash to fund the acquisition of PT IMAS. The newly issued shares rank pari passu in all respects with the previously issued shares.

The Company did not hold any treasury shares as at 31 December 2014 (2013 - Nil).

16 Reserves

		The Company 31 December		The Group 31 December	
		2014	2013	**2014**	2013
	Note	**$'000**	$'000	**$'000**	$'000
Capital reserve	(a)	**80,000**	80,000	**81,711**	81,711
Translation reserve	(b)	**–**	–	**(62,341)**	(72,641)
Hedging reserve	(c)	**–**	–	**3,446**	5,145
Fair value reserve	(d)	**–**	–	**(315)**	(4,267)
Other reserves	(e)	**–**	–	**5,872**	6,662
		80,000	80,000	**28,373**	16,610

The capital reserve comprises equity component of convertible notes.

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

The hedging reserve comprises the effective portion of the cumulative change (net of taxes) in the fair value of cash flow hedging instruments related to hedged transactions that have not yet affected profit or loss.

16 Reserves (cont'd)

Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Other reserves comprise of the differences arising from the change in equity of subsidiaries and effects of transaction with non-controlling interest.

Movement of reserves is as follows:

a. Capital reserve

	The Company		The Group	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Beginning of year	**80,000**	–	**81,711**	–
Convertible bond - equity component	**–**	80,000	**–**	80,000
Changes in interest in subsidiaries	**–**	–	**–**	1,711
At end of year	**80,000**	80,000	**81,711**	81,711

b. Translation reserve

The Group	**2014** **$'000**	2013 $'000
Beginning of year	**(72,641)**	(2,242)
Net currency translation differences of financial statements of foreign subsidiaries, joint venture and associated companies	**17,222**	(106,237)
Less: Non-controlling interests	**(6,922)**	35,838
At end of year	**(62,341)**	(72,641)

c. Hedging reserve

The Group	**2014** **$'000**	2013 $'000
Beginning of year	**5,145**	–
Loss/gain arising during the year	**(2,377)**	7,454
Less: Non-controlling interests	**678**	(2,309)
At end of year	**3,446**	5,145

d. Fair value reserve

The Group	**2014** **$'000**	2013 $'000
Beginning of year	**(4,267)**	–
Available-for-sale financial assets – Fair value gain/(losses)	**5,558**	(7,191)
Less: Non-controlling interests	**(1,606)**	2,924
At end of year	**(315)**	(4,267)

16 Reserves (cont'd)

e. Other reserves

The Group	2014 $'000	2013 $'000
Beginning of year	**6,662**	(2,838)
Actuarial (losses)/gain during the year	**(158)**	1,279
Changes in interest in subsidiaries	**(659)**	8,295
Less: Non-controlling interests	**27**	(74)
At end of year	**5,872**	6,662

17 Borrowings

	Note	The Company 2014 $'000	The Company 2013 $'000	The Group 2014 $'000	The Group 2013 $'000
Current borrowings					
Short term loans	(i)	**–**	–	**516,058**	600,900
Loan from subsidiaries	(ii)	**137,503**	134,867	**–**	–
Current portion of non-current borrowings					
- Bank loans	(iii)	**–**	–	**286,602**	191,706
- Finance lease	(iv)	**–**	–	**2,341**	117
- Consumer financing	(iv)	**–**	–	**3,392**	3,798
- Other loans		**–**	–	**3,411**	3,223
		137,503	134,867	**811,804**	799,744
Non-current borrowings					
Bank loans	(iii)	**209,925**	494,888	**693,705**	921,798
Finance lease	(iv)	**–**	–	**4,869**	106
Consumer financing	(iv)	**–**	–	**–**	740
Other loans		**–**	–	**1,958**	1,139
		209,925	494,888	**700,532**	923,783
Total borrowings		**347,428**	629,755	**1,512,336**	1,723,527
Secured		**209,925**	494,888	**1,505,440**	1,579,729
Unsecured		**137,503**	134,867	**6,896**	143,798
		347,428	629,755	**1,512,336**	1,723,527

(i) Some of the short term loans are secured by the PT IMAS's subsidiaries' property, plant and equipment (Note 4), trade and other receivables (Note 13) and other inventories (Note 12) and have certain terms under the loan agreement that require PT IMAS and its subsidiaries to obtain prior approval from the borrowers with respect to transactions involving amounts that exceed certain thresholds agreed with the borrowers such as among others, mergers or acquisitions; sale or pledge of assets and engaging in non-arm's length transactions and change in majority ownership.

17 Borrowings (cont'd)

(ii) Loans from subsidiaries are unsecured and repayable on demand. Interest is charged at the interest rate of 1.7% to 5.75% (2013 - 1.7% to 5.75%) per annum.

(iii) The details of the bank loans are as follows:-

(a) The Company

On 12 April 2013 and 10 May 2013, the Company obtained a term loan facility of US$125 million and a bridging loan of US$283.3 million from CIMB Bank, Singapore Branch to finance the acquisition of 71.49% of the PT IMAS. The facilities consist of the following:-

1) The US$125 million term loan facilities bear interest at LIBOR plus 4.5% per annum and have a tenure of 5 years.

2) The US$283.3 million bridging loan bear interest at LIBOR plus 4% per annum and have a tenure of 1 year.

The above facilities are secured by pledge of PT IMAS's shares.

On 18 February 2014, the Company entered into a syndicated term loans agreement comprising of US$246,000,000 (Tranche A) and $207,919,200 (Tranche B). The loans are arranged by CIMB Bank Berhad (Singapore Branch), DBS Bank Ltd., Deutsche Bank AG (Singapore Branch), The Royal Bank of Scotland PLC and Standard Chartered Bank. CIMB Bank Berhad (Singapore Branch) is the facility agent and onshore security agent while PT Bank CIMB Niaga Tbk is the offshore security agent. The loan proceeds were used to refinance the above term loan facility of US$125 million and bridging loan of US$283.3 million from CIMB Bank, Singapore Branch above. The facilities consist of the following:-

1) The US$246 million term loan facilities bear interest at LIBOR plus 3.75% per annum and have tenure of 2.8 years.

2) The $207.9 million term loan facility bear interest at SOR plus 3.75% per annum and have tenure of 2.8 year.

Subsequently, the US$246,000,000 (Tranche A) and $207,919,200 (Tranche B) had been reduced to US$98,400,000 and $84,686,921 from the proceeds of the bond issued by the Company in March and April 2014 (Note 18).

(b) The Company and its subsidiaries (exclude PT IMAS and its subsidiaries)

The bank borrowings are secured by the Company's and its subsidiaries' assets as follows:-

1) Pledge of PT IMAS's shares
2) Pledge of land title over Batamindo Industrial Park;
3) Pledge of shares and accounts of PT Batamindo Investment Cakrawala ("PT BIC")
4) Assignment of insurance proceeds, receivables and equipment of PT BIC.

17 Borrowings (cont'd)

(iii) The details of the bank loans are as follows:- (cont'd)

(b) The Company and its subsidiaries (exclude PT IMAS and its subsidiaries) (cont'd)

5) First priority legal mortgage and collateral deed of covenant in relation to the vessels;
6) Debenture (fixed and floating) over all present and future assets of Company;
7) First and second priority all monies legal mortgage and collateral deed of covenant over the vessels;
8) Second priority all monies debenture (fixed and floating) over all present and future assets of the Company and;
9) First and second priority all monies assignment if insurances over the vessels.

Certain covenants, among others, need to be maintained and complied with including:-

1) Ratio of Borrower Debt to Borrower Equity will not be more than 1.
2) Ratio of Borrower Net Debt to Borrower EBITDA will not be more than 3.5.
3) Borrower Equity will not be less than IDR 2.69 trillion.
4) Borrower Debt Service Coverage Ratio will not be less than 1.
5) Ratio of Guarantor Debt to Guarantor Equity will not be more than 0.5.
6) Ratio of Guarantor Net Debt to Guarantor EBITDA will not be more than 4.

(c) PT IMAS and its subsidiaries

The bank borrowings are secured by the subsidiaries' assets as follows:-

1) Consumer financing receivables (Note 8)
2) Net investment in finance lease (Note 8)
3) Marketable equities of available-for-sales assets.
4) Other inventories (Note 12)

Certain covenants, among others, need to be maintained and complied with including:-

1) Gearing ratio will not be more than 8.5 and 10
2) Maintain management control
3) Maintain shareholding of minimum 51% in a subsidiary

17 Borrowings (cont'd)

(iv) Obligation under finance lease and consumer financing

	The Group	
	2014	2013
	$'000	$'000
Minimum lease payments payable:		
Within 1 years	**5,742**	3,911
Between 2 to 5 years	**6,246**	873
More than 5 years	**–**	7
	11,988	4,791
Less: Finance charges allocated to future periods	**(1,386)**	(30)
Present value of minimum lease payments	**10,602**	4,761
Present value of minimum lease payments:		
Within 1 years	**5,733**	3,915
Between 2 to 5 years	**4,869**	839
More than 5 years	**–**	7
	10,602	4,761

The Group leases motor vehicles and transportation equipment from non-related and related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal value at the end of the lease term. The finance lease and consumer financing are secured by the under underlying assets (Note 4).

The borrowings of the Company and the Group exposed to interest rates are as follows:

	The Company		The Group	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Current portion:				
- at floating interest rate	**–**	–	**649,228**	624,272
- at fixed interest rate	**137,503**	134,867	**162,576**	175,472
	137,503	134,867	**811,804**	799,744
Non-current portion:				
- at floating interest rate	**209,925**	494,888	**463,330**	673,518
- at fixed interest rate	**–**	–	**237,202**	250,265
	209,925	494,888	**700,532**	923,783

17 Borrowings (cont'd)

The borrowings are denominated in the following currencies:

	The Company		The Group	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Singapore dollar	**127,210**	43,820	**100,195**	17,585
United States dollar	**127,180**	494,888	**604,121**	909,296
Indonesian rupiah	**93,038**	91,047	**807,747**	796,646
Euro dollar	**–**	–	**273**	–
	347,428	629,755	**1,512,336**	1,723,527

The borrowing repayment profile is as follows:-

	The Company		The Group	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Repayable:				
Within 1 years	**137,503**	134,867	**811,804**	799,744
Between 2 to 5 years	**209,925**	494,888	**700,532**	912,892
More than 5 years	**–**	–	**–**	10,891
	347,428	629,755	**1,512,336**	1,723,527

The effective interest rates of the total borrowings at the end of reporting period are as follows:

	The Company		The Group	
	2014	2013	**2014**	2013
Short term loans	**–**	–	**1.75% to 10.95%**	1.67% to 10.75%
Bank loans	**3.81% to 3.03%**	3.42% to 4.77%	**2.60% to 14.60%**	2.35% to 13.06%
Finance leases	**–**	–	**4.58% to 18,00%**	4.58% to 13.06%
Loan from subsidiaries	**1.70% to 5.75%**	1.70% to 5.75%	**–**	–

18 Debt securities

Debt securities comprise of fixed rate notes and bonds issued by the Company and subsidiaries in the Group.

The Company	2014 $'000	2013 $'000
Bonds		
- Current	–	–
- Non-current	414,274	87,201
Net	414,274	87,201
Secured	–	–
Unsecured	414,274	87,201
	414,274	87,201
Repayable:		
Within 1 years	–	–
Between 2 and 5 years	414,274	87,201
More than 5 years	–	–
	414,274	87,201

(i) On 2 May 2013, the Company issued $104,703,000 unsecured 1% per annum fixed rate non-convertible bonds which are due on 2 May 2018 to PT Cipta Sarana Duta Perkasa ("PT CSDP") to finance the acquisition of PT IMAS. These bonds are stated at amortised cost using the effective interest rate method. The carrying amount of the bond as at 31 December 2014 is $91,986,000 (2013 - $87,201,000). The effective interest rate of the bond is 5.5% (2013 – 5.5%).

(ii) On 21 April 2014 and 12 May 2014, the Company issued S$175 million 5.95% unsecured notes due 2016 and S$150 million 5.90% unsecured notes due 2017 under the US$500 million Euro Medium Term Note Programme established by the Company. The notes will mature from 21 April 2016 to 11 May 2017 and are listed in Singapore Exchange Securities Trading Limited ("SGX-ST"). These were used for partial repayment of the syndicated term loans (Note 17(iii)(a)).

18 Debt securities (cont'd)

The Group	2014 $'000	2013 $'000
Notes and Bonds		
- Current	141,900	58,162
- Non-current	586,540	346,436
Nominal value	728,440	404,598
Less: deferred issuance costs	(535)	(847)
Net	727,905	403,751
Secured	313,631	316,550
Unsecured	414,274	87,201
	727,905	403,751
Repayable:		
Within 1 years	141,594	57,857
Between 2 and 5 years	586,311	345,894
More than 5 years	–	–
	727,905	403,751

(1) The effective interest rate of the debt securities ranged from 5.5% to 11.4% (2013 – 5.5% to 11%).
(2) The maturity of the debt security ranged from 9 June 2015 to 2 May 2018.
(3) The bonds were collateralised by fiduciary transfer of financing receivables (Note 8), other inventories (Note 12) and trade receivables (Note 13) of PT IMAS's subsidiaries amounting to 50% to 60% of the total principal amount of the bonds.

The debt securities are denominated in the following currencies:

	The Company		The Group	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Singapore dollar	414,274	87,201	414,274	87,201
Indonesian rupiah	–	–	313,631	316,550
	414,274	87,201	727,905	403,751

19 Employee benefits liabilities

The Group	2014 $'000	2013 $'000
Balance at beginning of year	**21,647**	11,896
Acquisition of subsidiaries	**–**	12,698
Net employee benefits expense (Note 28)	**4,674**	3,509
Actual benefit payments	**(936)**	(669)
Foreign exchange difference	**129**	(4,508)
(expenses)/Income recognised in OCI	**158**	(1,279)
Balance at end of year	**25,672**	21,647

On 20 June 2000, under Indonesian Law, the Minister of Manpower of the Republic of Indonesia issued Decree No. Kep-150/Men/2000 regarding “The Settlement of Work Dismissal and Determination of Separation, Gratuity and Compensation Payment by Companies”. Should there be any work dismissal, a company is obliged to settle any separation, gratuity and compensation payment, based on the duration of work of the respective employees and in accordance with the conditions stated in the Decree.

The Decree has been enacted into Law No.13 of 2003 regarding Manpower by the President of the Republic of Indonesia on 25 March 2003.

The Group recognised a provision for employees’ service entitlement in accordance with the above Law. The benefits are unfunded. The provision is estimated using the “Projected Unit Credit Method” based on the actual calculation performed by independent actuaries, PT Dayamandiri Dharmakonsilindo, PT Jasa Aktuaria Pensiun dan Asuransi, PT Sentra Jasa Aktuaria, PT Bumi Dharma Akuaria and PT Dian Artha Tama which considered the following assumptions:

Discount rate	:	8.02% to 8.64% (2013 - 7.1% to 9.15%) per annum
Mortality rate	:	Tabel Mortalita Indonesia (TMI-III) – 2011 (2013 – USA Table of Mortality, Commissioners Standard Ordinary 1980)
Annual salary increases	:	7% to 12.5% (2013 - 8% to 12.5%) per annum
Retirement age	:	55 to 60 years
Turnover rates	:	5% up to age 25 and reducing linearly up to 0% at the age of 45 and thereafter
Disability rate	:	10% of mortality rate

19 Employee benefits liabilities (cont'd)

The net employee benefits expense comprises the following:

The Group	2014 $'000	2013 $'000
Current service cost	3,890	2,641
Interest expense	784	612
Immediate adjustment of termination plan	–	256
	4,674	3,509
Employee benefits liabilities:		
Present value of employee benefits liabilities	25,672	21,647
	25,672	21,647

20 Other non-current liabilities

		The Company		The Group	
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000 Restated
Deposits from tenants	(i)	90	90	23,463	23,531
Refundable golf membership deposit	(ii)	–	–	4,201	4,288
Unearned revenue	(iii)	–	–	1,186	875
Derivative liabilities	23	2,683	–	45,067	51,546
		2,773	90	73,917	80,240

(i) Deposits from tenants represent advance payments received from tenants equivalent to certain months' factory and dormitory rentals, hawkers' centres, and deposits for electricity supply, in accordance with the provisions of their respective lease agreements. These deposits will be refunded or applied against rentals due at the end of the lease period.

(ii) Refundable deposits received for golf club membership, which consist of Individual Type, Corporate A and B type, will be due on 1 August 2020.

(iii) Unearned revenue relates to the prepayment from the tenants on the lease of land and building.

20 Other non-current liabilities (cont'd)

The other non-current liabilities are denominated in the following currencies:

	The Company		The Group	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Singapore dollar	**2,773**	90	**30,343**	27,819
Indonesian rupiah	**–**	–	**43,574**	52,421
	2,773	90	**73,917**	80,240

21 Trade and other payables

	The Company		The Group	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade				
Trade payables	**–**	–	**202,872**	200,735
Non-trade				
Accruals	**943**	832	**56,574**	39,915
Other payable	**855**	2,001	**80,484**	58,643
Interest payable on bank loan	**3,237**	3,242	**5,950**	7,396
Advances from customers and distributors	**–**	–	**23,999**	16,648
Amount owing to related parties	**–**	–	**6,510**	5,150
Amount owing to subsidiaries	**14,002**	9,276	**–**	–
Other current liabilities	**–**	–	**10,073**	13,438
	19,037	15,351	**386,462**	341,925

Trade payables are generally on 30 days (2013 - 30 days) credit terms.

Amounts owing to subsidiaries and related parties represent advances and are non-trade, unsecured, interest-free and repayable on demand.

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

21 Trade and other payables (cont'd)

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Singapore dollar	**9,001**	4,320	**40,379**	34,064
Indonesian rupiah	**9,629**	4,712	**294,357**	249,188
United States dollar	**407**	6,319	**36,388**	33,179
Euro	**–**	–	**15,183**	21,873
Swedish kronor	**–**	–	**42**	3,054
Others	**–**	–	**113**	567
	19,037	15,351	**386,462**	341,925

22 Foreclosed assets

Foreclosed assets represent acquired assets in conjunction with settlement of consumer financing receivables. In case of default, the consumers give the right to the Group to sell the foreclosed assets or take any other actions to settle the outstanding receivables.

The Group determined that the foreclosed assets will be converted into cash within maximum three months.

The Group	Note	**2014** **$'000**	2013 $'000
Foreclosed assets		**8,234**	5,637
Less allowance for impairment loss		**(3,030)**	(1,744)
	13	**5,204**	3,893

The movement in allowance for impairment losses in value of foreclosed assets is as follows:-

The Group	**2014** **$'000**	2013 $'000
Balance at beginning of the year	**1,744**	–
Allowance as at date of acquisition	**–**	1,639
Allowance for impairment loss	**1,256**	463
Translation differences	**30**	(358)
Balance at the end of the year	**3,030**	1,744

23 Derivative financial instruments

The fair value of the Group's derivative financial instruments was:-

		2014		2013	
The Company	Note	**Assets $'000**	**Liabilities $'000**	Assets $'000 Restated	Liabilities $'000 Restated
Non-current					
Not designated as hedging instruments					
- Interest rate swaps (v)	20	**–**	**2,683**	–	–

		2014		2013	
		Assets $'000	**Liabilities $'000**	Assets $'000 Restated	Liabilities $'000 Restated
The Group					
Non-current					
Designated as cash flow hedges					
- Interest rate swaps (i)		**78**	**33**	35	109
- Cross currency swaps (ii)		**11,522**	**150**	12,015	–
- Cross currency interest rate swap (iii)		**5,430**	**–**	5,677	–
		17,030	**183**	17,727	109
Not designated as hedging instruments					
- MSL swap (iv)		**42,201**	**–**	51,437	–
- Cross currency interest rate swap (iv)		**–**	**42,201**	–	51,437
- Interest rate swaps (v)		**–**	**2,683**	–	–
	10,20	**59,231**	**45,067**	69,164	51,546

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

(i) Interest rate swap

The notional amounts of the interest rate swaps at 31 December 2014 were US$63,707,000 (2013 - US$38,000,000) for derivative assets and US$58,207,000 (2013 – US$68,579,000) for derivative liabilities.

(ii) Cross currency swap

The notional amounts of the cross currency swaps at 31 December 2014 were US$104,165,000 (2013 - US$37,500,000) for derivative assets and US$10,500,000 (2013 – US$ Nil) for derivative liabilities.

23 Derivative financial instruments (cont'd)

(iii) Cross currency interest rate swap

The notional amount of the cross currency interest rate swap at 31 December 2014 were US$22,000,000 (2013 – US$22,000,000).

(iv) MSL swap and cross currency interest rate swap

On 21 March 2012, the Group entered into a Cross Currency Interest Rate Swap ("CCIRS") contract with a financial institution to manage its exposure to the fluctuation of foreign currency and floating interest rate on a bank loan. Based on the contract, the financial institution pays the Group a series of instalments on loan principal with a total notional amount of $172,044,000, which bears interest at a rate of 6.15% + 3 months JIBOR starting from 14 May 2012 until 14 February 2018, while the Group pays the financial institution a series of instalments on loan principal with a total notional amount of $181,948,000 (US$148,675,000), which bears interest at a rate of 7% + 3 months LIBOR starting from 14 May 2012 until 14 February 2018.

On 2 December 2013, the Group entered into a swap agreement ("MSL Swap") with MSL to transfer its exposure to the change in the valuation of fair value of the CCIRS entered into previously between the Group and the financial institution to MSL in relation with the bank loan. Based on the agreement, the Group pays MSL an interest rate of 6.15% + 3 months JIBOR starting from 14 February 2014 until February 2018 while MSL pays the Group a series of instalments on loan principal with a total notional amount of $166,199,000 (US$131,020,000), which bears interest at a rate of 7% + 3 months LIBOR starting from 14 February 2014 until 14 February 2018.

As of 31 December 2014, the fair value of the CCIRS is recorded as a derivative liability amounting to $42,201,000 (2013 - $51,437,000) (Note 20) and the Group's loss on the valuation of fair value of the CCIRS is recorded as part of "other income" (Note 25) in the consolidated statement of comprehensive income.

As of 31 December 2014, the fair value of the MSL swap is recorded as a derivative asset amounting to $42,201,000 (2013 - $51,437,000) (Note 10) and the Group's gain on valuation of fair value of the MSL swap is recorded as part of "other income" (Note 25) in the consolidated statement of comprehensive income.

(v) Interest rate swap

On 27 August 2014, the Company entered into Interest Rate Swap ("IRS") contracts with a financial institution to swap the fixed interest rate to floating interest rate on the notes issued during the year (Note 18). The terms of the contracts were as follows:-

a) Based on notional amount of $175,000,000, the Company pays the financial institution at interest rate of 5.25% + 6 months SOR while the financial institution pays the Company at fixed interest rate of 5.95%.

b) Based on notional amount of $150,000,000, the Company pays the financial institution at interest rate of 4.85% + 6 months SOR while the financial institution pays the Company at fixed interest rate of 5.90%

As of 31 December 2014, the fair value of the swaps were recorded as a derivative liability amounting to $2,683,000 (2013 - $Nil) (Note 20) and the Group's loss on valuation of fair value of the swap was recorded as part of "other income" (Note 25) in the consolidated statement of comprehensive income.

23 Derivative financial instruments (cont'd)

Period when the cash flows on cash flow hedges are expected to occur or affect the profit or loss

Interest rate swaps

Interest rate swaps are transacted to hedge variable quarterly interest payments on borrowings that will mature on 31 December 2015. Fair value gains and losses on the interest rate swaps recognised in other comprehensive income are reclassified to profit or loss as part of interest expense over the period of the borrowings.

Cross currency swaps

Cross currency swaps are transacted to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within three months from the end of the reporting period. The cross currency swaps have maturity dates that coincide within the expected occurrence of these transactions. Gains and losses recognised in other comprehensive income prior to the occurrence of these hedged forecast transactions affect profit or loss. This is generally within three months from the end of the reporting period. For those cross currency swaps used to hedge highly probable forecast foreign currency purchases of property, plant and equipment, fair value gains and losses are included in the cost of the assets and recognised in profit or loss over their estimated useful lives as part of depreciation expense.

24 Revenue

The Group	2014 $'000	2013 $'000
Sales of goods	**1,882,030**	1,501,129
Rendering of services	**4,691**	4,864
Financials services	**106,459**	66,504
Electricity and water supply	**103,971**	106,303
Rental and related income	**108,631**	88,583
Sales of land and factory	**90,337**	57,954
Golf revenue	**5,022**	3,287
Ferry services	**18,359**	17,659
Telecommunication	**1,836**	1,813
Clinic operation	**1,453**	1,158
Others	**5,539**	5,494
	2,328,328	1,854,748

25 Other income

The Group	2014 $'000	2013 $'000
Exchange gain/(loss), net	3,173	(3,808)
Gain on disposal of property, plant and equipment	33,172	26,266
Interest income	27,103	24,822
Other telecommunication income	793	1,291
Bank charges	(25)	(7,535)
Bad debt recovered	7,832	5,188
Commission income	1,545	872
Penalty income	4,817	3,677
Sales incentive and dealer development	11,416	9,878
Scrap income	504	498
Subsidy income (for sales or promotion)	11,691	5,244
Loss/(gain) on derivative financial instrument (Note 23(iv) & (v))	(2,683)	11,376
Others	20,673	25,117
	120,011	102,886

Included in others is an amount of $Nil (2013 - $20,579,000) relating to a gain on the present value of a 5-year non-convertible bond.

26 Other operating expenses

The Group	2014 $'000	2013 $'000
Communication	1,951	1,485
Depreciation and amortisation	12,483	8,353
Entertainment	493	549
Insurance	1,831	1,373
Management fee	1,018	1,271
Marketing and promotion expenses	26,890	18,244
Professional fees	1,259	1,101
Rental	5,955	1,155
Repairs and maintenance	3,385	2,882
Representation costs	1,231	1,596
Staff costs and related expenses	43,836	27,536
Taxes and licences	3,404	2,565
Transport and travelling	6,512	4,905
Printing and stationeries	167	187
Packing and delivery	15,433	10,263
Security expenses	4,141	3,596
Sales commission and incentive	11,336	11,418
Allowance for impairment losses and loss on sales of foreclosed assets	10,218	3,943
Utilities	3,154	2,341
Office supplies	2,576	1,784
Others	6,977	7,427
	164,250	113,974

27 Finance costs

The Group	2014 $'000	2013 $'000
Interest expense on:		
- Bank loans and short term loans	**113,017**	71,637
- Finance lease	**21**	27
- Debt securities	**18,342**	3,077
- Other loans	**245**	467
	131,625	75,208

28 Profit before taxation

The Group	Note	2014 $'000	2013 $'000 Restated
Profit before taxation has been arrived at after charging/(crediting):			
Audit fee paid to:			
- auditor of the Company		**406**	352
- other auditors		**751**	522
Non-audit fees paid to:			
- auditor of the Company		**74**	24
- other auditors		**38**	28
Costs of inventories recognised as expenses		**1,629,994**	1,327,845
Allowance for inventories obsolescence	12	**113**	–
Reversal of allowance for inventories obsolescence	12	**(102)**	(174)
Allowance for impairment of financing receivables	8	**17,702**	20,472
Amortisation of intangible assets	3	**16,404**	10,876
Depreciation of property, plant and equipment	4	**83,893**	60,902
Depreciation of investment properties	5	**22,557**	22,490
Directors' fees		**355**	281
Directors' remuneration			
- Directors' salaries and related costs		**2,972**	1,830
- CPF contributions		**37**	29
		3,009	1,859
Foreign exchange (gain)/loss, net		**(3,173)**	3,808
Net allowance/reversal for impairment of trade and other receivables		**1,968**	(2,013)
Operating lease rentals			
- office equipment and office premises		**1,527**	1,663
Provision for employees' benefits	19	**4,674**	3,509
Rental income (included in revenue)			
- investment properties	5	**(26,587)**	(27,621)
Operating expenses arising from investment properties that generated rental income	5	**23,714**	23,573
Staff costs (other than Directors)			
- salaries and related costs		**114,324**	88,238
- CPF contributions		**609**	362
		114,933	88,600

29 Taxation

The Group	Note	2014 $'000	2013 $'000 Restated
Current taxation			
Indonesia tax			
Final tax		**7,868**	7,001
Non-final tax		**20,239**	18,233
Singapore tax		**460**	814
		28,567	26,048
Deferred taxation			
Indonesia tax		**(5,071)**	(8,716)
Singapore tax		**(4,870)**	(7,051)
	9	**(9,941)**	(15,767)
		18,626	10,281

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the Group's profit as a result of the following:

The Group	2014 $'000	2013 $'000 Restated
Profit before taxation	**22,972**	63,196
Tax at applicable statutory tax rates	**533**	3,433
Difference of tax effects on gross income subject to final tax instead of corporate tax	**7,868**	7,001
Tax effects on non-deductible expenses	**(10,161)**	(13,203)
Tax effects on non-deductible expenses	**5,197**	11,284
Deferred tax on temporary differences not recognised in prior year	**15,189**	1,766
	18,626	10,281

30 Other comprehensive income/(expense) after taxation

The Group	Before tax $'000	Tax expense $'000	Net of tax $'000
31 December 2014			
Disclosure of tax effects relating to each component of other comprehensive income/(expense):			
Available-for-sale investments	**5,558**	**–**	**5,558**
Derivative instruments	**(2,377)**	**–**	**(2,377)**
Currency translation differences	**17,222**	**–**	**17,222**
Actuarial losses arising during the period	**(209)**	**51**	**(158)**
	20,194	**51**	**20,245**
31 December 2013			
Available-for-sale investments	(7,191)	–	(7,191)
Derivative instruments	7,454	–	7,454
Currency translation differences	(106,237)	–	(106,237)
Share of other comprehensive income of associates	3	–	3
Actuarial gains arising during the period	1,651	(372)	1,279
	(104,320)	(372)	(104,692)

31 Earnings per share

The Group

The basic earnings per share is calculated based on the consolidated profits attributable to owners of the parent divided by the weighted average number of shares in issue of 4,824,965 (2013 - 4,020,804,260) shares during the financial year.

Fully diluted earnings per share were calculated on the consolidated profits attributable to owners of the parent divided by 5,074,965 (2013 - 4,187,470,927) ordinary shares. The number of ordinary shares is calculated based on the weighted average number of shares in issue during the financial year adjusted for the effects of the dilutive issuable shares from the convertible bond. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the year or if later, the date of the issue of the potential ordinary shares.

31 Earnings per share (cont'd)

The following tables reflect the profit or loss and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

The Group	2014 $'000	2013 $'000 Restated
Basic earnings per share		
Profit attributable to shareholders	**7,517**	36,348
Weighted average number of ordinary shares in issue ('000)	**4,824,965**	4,020,804
Basic earnings per share (in cents)	**0.156**	0.904
Diluted earnings per share		
Profit attributable to shareholders	**7,517**	36,348
Weighted average number of ordinary shares in issue ('000)	**4,824,965**	4,020,804
Adjustment for assumed conversion of convertible bond ('000)	**–**	166,667
Weighted average number of ordinary shares for diluted earnings per shares ('000)	**5,074,965**	4,187,471
Diluted earnings per share (in cents)	**0.148**	0.868

32 Commitments

a. Capital Commitments

Capital expenditure contracted for at the end of the reporting date, but not recognised in the financial statements is as follows:

The Group	2014 $'000	2013 $'000
Capital expenditure contracted but not provided for	**130**	1,839

b. Operating lease commitments

Where the company is the lessee

At the end of the reporting period, the Company was committed to making the following lease rental payments under non-cancellable operating leases for office premises and office equipment with a term of:

	The Company		The Group	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Lease rentals payable:				
Not later than one year	**756**	756	**1,610**	1,532
Later than one year and not later than five years	**513**	1,269	**1,651**	2,478
Later than five years	**–**	–	**238**	–

32 Commitments (cont'd)

b. Operating lease commitments (cont'd)

Where the company is the lessee (cont'd)

The leases on the Company's rental on which rental is payable will expire on 30 August 2016, and the current rental payable on the lease is $62,543 per month which are subject to revision on renewal of lease agreement.

The leases for the office equipment on which rental is payable will expire on 31 January 2018, and the current rental payable on the lease is $439 per month which are subject to revision on renewal of lease agreement.

The leases on the Group's office premises, office equipment, warehouse rental on which rental is payable will expire between 17 May 2016 and not later than 15 January 2024, and the current rental payable on the lease are between S$300 to $62,543 per month which are subject to revision on renewal of lease agreement.

Where the company is the lessor

The future minimum lease payments receivables under non-cancellable operating leases from sites with a term of more than one year are as follows:

	The Company		The Group	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Lease rentals receivable:				
Not later than one year	**361**	361	**18,765**	20,407
Later than one year and not later than five years	**241**	602	**20,251**	23,602
Later than five years	**–**	–	**148**	1,408

The leases on the Company's premises on which rentals are received will expire on 30 August 2016. The current rent receivable on the lease ranges from $1,976 to $14,379 per month which are subject to revision on renewal of lease agreement.

The leases on the Group's premises on which rentals are received will expire between 19 January 2015 and not later than 31 December 2020. The current rent receivable on the lease ranges from $1,976 to $265,939 per month which are subject to revision on renewal of lease agreement.

33 Related parties transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, there were significant related party transactions which were carried out in the normal course of business on terms agreed between the parties as follows:

The Group	2014 $'000	2013 $'000
(a) With associates and joint ventures		
Sales of goods and services	**(829)**	(797)
(b) With related companies and associates of ultimate holding company		
Management fees paid	**531**	552
Human resource management fee	**706**	468
Interest income	**(2,701)**	(2,498)
Purchase of goods and services	**3,842**	7,297
Sales of goods and services	**(52,011)**	(38,344)
(c) Remuneration of directors of the company and key management personnel of the Group		
Salaries and other short-term employee benefits	**3,009**	2,365

34 Operating segments

For management purposes, the Group is organised into the following reportable operating segments as follows:-

(i) Industrial parks segment

Industrial parks segment is engaged in activities consisting of the development, construction, operation and maintenance of industrial properties in Batam Island and Bintan Island together with the supporting infrastructure activities.

(ii) Utilities segment

Utilities segment is engaged in the activities of provision of electricity and water supply, telecommunication services and waste management and sewage treatment services to the industrial parks in Batam Island and Bintan Island as well as resorts in Bintan Island.

(iii) Resort operations segment

The resort operations segment is engaged in the activities of provision of services to resort operators in Bintan Resort including ferry terminal operations, workers accommodation, security, fire-fighting services and facilities required by resort operators.

(iv) Property development segment

Property development segment is engaged in the activities of developing industrial and resort properties in Batam Island and Bintan Island.

(v) Automotive segment (including workshops)

PT IMAS is considered as one operating segment and is organised into automotive segment because the decisions for resource allocation and performance assessment are made directly by the board of PT IMAS, taking into account the opinion of the Company's Board. The automotive segment is engaged in activities of vehicle sales distribution, after sales services, vehicle ownership financing, spare part distribution, vehicle assembly, automotive parts manufacturing and other related supporting services

34 Operating segments (cont'd)

Set out below is an analysis of the segment information:

The Group	Industrial Parks		Utilities		Resort Operations		Property Development		Automotive		Corporate		Elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000 Restated
Business segments																
Operating revenue																
External sales	**39,624**	40,537	**105,807**	108,116	**21,225**	20,790	**87,672**	55,540	**2,074,000**	1,629,765	**–**	–	**–**	–	**2,328,328**	1,854,748
Inter segment sales	**–**	–	**–**	–	**58**	52	**–**	99	**–**	–	**–**	–	**(58)**	(151)	**–**	–
Total sales	**39,624**	40,537	**105,807**	108,116	**21,283**	20,842	**87,672**	55,639	**2,074,000**	1,629,765	**–**	–	**(58)**	(151)	**2,328,328**	1,854,748
Segment results																
(Loss)/profit from operations	**(2,853)**	(3,856)	**32,099**	17,785	**(5,255)**	(8,444)	**67,977**	40,325	**93,479**	60,819	**(225)**	23,956	**–**	–	**185,222**	130,585
Share of associates' results															**(30,625)**	7,820
Finance costs															**(131,625)**	(75,208)
Profit before taxation															**22,972**	63,197
Taxation															**(18,626)**	(10,281)
Profit after taxation															**4,346**	52,916
Attributable to:																
Equity holders of the Company															**7,517**	36,348
Non-controlling interests															**(3,171)**	16,568
															4,346	52,916
Assets																
Segment assets	**212,786**	193,159	**215,753**	274,324	**39,643**	48,908	**709,373**	645,681	**1,800,782**	1,645,735	**1,457,417**	1,450,861	**–**	–	**4,435,754**	4,258,668
Associates															**239,393**	260,485
Unallocated corporate assets															**350,627**	317,341
Total assets															**5,025,774**	4,836,494

34 Segment information (cont'd)

The Group	Industrial Parks		Utilities		Resort Operations		Property Development		Automotive		Corporate		Elimination		Total	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000 Restated
Liabilities																
Segment liabilities	21,399	40,630	37,278	62,612	6,456	6,644	18,724	1,079	1,868,549	1,720,423	36,175	45,522	–	–	1,988,581	1,876,910
Unallocated corporate liabilities															852,127	810,733
Total liabilities															2,840,708	2,687,643
Business segments																
Other information																
Capital expenditure	1,825	3,796	376	376	6,237	4,111	184	205	171,816	92,084	50	26	–	–	180,488	100,598
Software costs	69	28	–	–	–	–	–	–	–	–	12	386	–	–	81	414
Dealerships & distributionships	–	–	–	–	–	–	–	–	–	324,546	–	–	–	–	–	324,546
Allowance for inventories obsolescence	31	–	–	–	–	–	–	–	82	–	–	–	–	–	113	–
Amortisation of intangible assets	21	22	–	–	7	7	18	23	16,227	10,818	131	6	–	–	16,404	10,876
Depreciation of property, plant and equipment	5,059	5,390	15,761	16,035	8,469	8,977	254	260	53,938	30,167	412	73	–	–	83,893	60,902
Depreciation of investment properties	22,557	22,490	–	–	–	–	–	–	–	–	–	–	–	–	22,557	22,490
Business segments																
Other information																
Gain/(loss) on disposal of property, plant and equipment	4	44	15	–	1,577	(7)	8	(9)	31,570	26,238	–	–	–	–	33,174	26,266
Impairment of trade and other receivables	584	276	-	-	65	-	-	-	1,725	-	-	-	-	-	2,374	276

34 Operating segments (cont'd)

The Group

Geographical segments

The Group operates mainly in Indonesia. Accordingly, analysis by geographical segments is not presented.

Segment revenue and segment expense

All segment revenue and expense are directly attributable to the segments.

Segment assets and liabilities

Segment assets include all operating assets and consist principally of trade and other receivables, land inventories, other inventories, financing receivables, investment properties and property, plant and equipment, net of allowances and provisions. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated on a reasonable basis.

Segment liabilities include all operating liabilities and consist principally of operating payables.

Segment assets and liabilities do not include cash and cash equivalents, notes receivables, deferred tax assets, deferred tax liabilities, current tax payable, loans and borrowings.

The Group does not have any major customers.

35 Financial risk management objectives and policies

The Company and the Group have financial risk management policies setting out the Company's and the Group's overall business strategies and its risk management philosophy. The Company and the Group are exposed to financial risks arising from its diversified operations and the use of financial instruments. The financial risks included market price risk, foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets on the Company's and the Group's financial performance. The Company and the Group use financial instruments, principally interest rate swaps and cross-currency swaps to hedge certain risk exposures.

The Company co-ordinates, under the directions of the directors, financial risk management policies and their implementation on a group-wide basis. The Group's policies are designed to manage the financial impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. It is the Group's policy not to enter into derivative transactions for speculative purposes. The notional amounts and fair values of derivative financial instruments at 31 December 2014 are disclosed in Note 23.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

35 Financial risk management objectives and policies (cont'd)

a. Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

i. Interest rate risk

Interest rate risk is the risk arising from the changes in market interest rates which leads to the fluctuation of the fair value or future cash flows of the financial instruments.

The Group is financed through interest-bearing bank loans, other borrowings such as shareholders' loans, and advances from related parties and debt securities. Therefore, the Group's exposures to market risk for changes in interest rates relate primarily to its long-term borrowings obligations and interest-bearing assets and liabilities. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure by managing its interest cost using a mixture of fixed and variable rate debts and long and short-term borrowings. The Group actively reviews its debt portfolio and evaluates the interest rates are in line with the changes in interest rate which is relevant in the money market. The Group also uses hedging instruments such as interest rate swaps to minimise its exposure to interest rate volatility. The Group designates these interest rate swaps and cross currency interest rate swap as cash flow hedges (Note 23).

Sensitivity analysis for interest rate risk

At the end of reporting period, if Singapore dollar, United States dollar and Indonesian rupiah interest rates had been 50 (2013: 50) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been higher/lower by the amounts shown below, arising mainly as a result of lower/higher interest expense on floating rate borrowings.

	The Group Profit or loss	
	2014	2013
	$'000	$'000
Singapore dollar		
- lower 50 basis points (2013 - 50 basis points)	**414**	88
- higher 50 basis points (2013 - 50 basis points)	**(414)**	(88)
United States dollar		
- lower 50 basis points (2013 - 50 basis points)	**2,272**	2,753
- higher 50 basis points (2013 - 50 basis points)	**(2,272)**	(2,753)
Indonesian rupiah		
- lower 50 basis points (2013 - 50 basis points)	**2,832**	3,490
- higher 50 basis points (2013 - 50 basis points)	**(2,832)**	(3,490)

35 Financial risk management objectives and policies (cont'd)

a. Market risk (cont'd)

ii. Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising primarily from purchases, assets and liabilities which arise from daily operations that are denominated in a currency other than the respective functional currencies of group entities, primarily Singapore dollar (SGD) and Indonesian rupiah (IDR). The foreign currencies in which these transactions are denominated are mainly United States dollar (USD) and Euro (EURO).

The Company and the Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of reporting period, such foreign currency balances (mainly in IDR and USD) amount to $136,000 (2013 - $2,809,000) and $136,151,000 (2013 - $139,985,000) for the Company and the Group respectively.

The Group maintains a natural hedge, whenever possible by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue streams to be generated from its investments. The Group also enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in foreign currency and these swaps are designated as cash flow hedges (Note 23).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risk and which are held for long term investment purposes, the differences arising from such translation are recorded under the currency translation reserves. These translation differences are reviewed and monitored on a regular basis.

35 Financial risk management objectives and policies (cont'd)

a. Market risk (cont'd)

ii. Foreign exchange risk (cont'd)

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	2014		2013	
	Appreciation/ (depreciation) of foreign currency rate	Effect on profit before tax increase/ (decrease) $'000	**Appreciation/ (depreciation) of foreign currency rate**	Effect on profit before tax increase/ (decrease) $'000
Indonesian rupiah	**12.01%**	(80,401)	**11.19%**	(26,905)
Indonesian rupiah	**(12.01%)**	80,401	**(11.19%)**	26,905
United States dollar	**1.24%**	5,005	**0.12%**	(236)
United States dollar	**(1.24%)**	(5,005)	**(0.12%)**	236
Euro	**1.26%**	(180)	**3.42%**	(645)
Euro	**(1.26%)**	180	**(3.42%)**	645
Swedish krona	**3.87%**	41	**3.91%**	(40)
Swedish krona	**(3.87%)**	(41)	**(3.91%)**	40

The average and year end exchange rates for 2014 and 2013 are as follows:

	2014		2013	
	Year end	**Average**	Year end	Average
Indonesian rupiah	**Rp.9,422/$1**	**Rp.9,360/$1**	Rp.9,628/$1	Rp.8,385/$1
United States dollar	**US$0.76/$1**	**US$0.79/$1**	US$0.79/$1	US$0.80/$1

iii. Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group is exposed to market price risks arising from its investment in equity investments quoted on the IDX in Indonesia classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes. The Group does not actively trade available-for-sale investments.

35 Financial risk management objectives and policies (cont'd)

b. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company or the Group to incur a financial loss. For the subsidiaries engaging in consumer financing, a financial loss will arise when the debtor does not meet its contractual obligation.

The financial assets that potentially subject the Group to significant concentration of credit risk consist principally of cash and bank balances, trade and other receivables, financing receivables, loan and notes receivables. For trade receivables, the Company and the Group adopt the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Company's and the Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group has in place credit policies and procedures to ensure the ongoing credit evaluation and active account monitoring. Credit risk which is encountered by the Group comes from credits given to customers. To reduce this risk, there is a policy to ensure the product sales are to be made to customers who can be trusted and proven to have a good credit history and pass the credit verification. The Group monitors the receivable balance continuously to maximise installment billings and reduce the possibility of doubtful accounts.

The Group's exposures to credit risk arise from default of other parties, with maximum exposure equal to the carrying amount of these instruments. At the reporting date, there were no significant concentrations of credit risk other than the loan receivable, financing receivables, notes receivables and interest receivables as disclosed in Note 8 and Note 10.

The Company's and the Group's major classes of financial assets are bank deposits, trade and other receivables and financing receivables. Cash is held with financial institutions of good standing/established financial institutions/reputable financial institutions. Further details of credit risks on financing receivables and trade and other receivables are disclosed in Note 8 and Note 13 respectively.

c. Liquidity risk

Liquidity risk is the risk that the Company and the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or other financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group maintains a balance between continuity of accounts receivable collectability and flexibility through the use of borrowings, debt securities and stand-by credit facilities.

35 Financial risk management objectives and policies (cont'd)

c. Liquidity risk

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

The Company	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2014				
Non-derivative financial liabilities:				
Trade and other payables	**19,037**	**–**	**–**	**19,037**
Borrowings	**144,937**	**190,317**	**–**	**335,254**
Debt securities	**19,263**	**451,017**	**–**	**470,280**
Other non-current liabilities	**–**	**90**	**–**	**90**
Derivative financial liabilities:				
Other non-current liabilities	**–**	**2,683**	**–**	**2,683**
	183,237	**644,107**	**–**	**827,344**
As at 31 December 2013				
Non-derivative financial liabilities:				
Trade and other payables	15,351	–	–	15,351
Borrowings	506,558	164,112	–	670,670
Debt securities	–	110,008	–	110,008
Other non-current liabilities	–	90	–	90
	521,909	274,210	–	796,119

The Group	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2014				
Non-derivative financial liabilities:				
Trade and other payables	**359,411**	**–**	**–**	**359,411**
Borrowings	**884,806**	**804,903**	**–**	**1,689,709**
Debt securities	**176,600**	**641,179**	**–**	**817,779**
Other non-current liabilities	**–**	**27,664**	**–**	**27,664**
Derivative financial liabilities:				
Other non-current liabilities	**–**	**45,067**	**–**	**45,067**
	1,420,817	**1,518,813**	**–**	**2,939,630**
As at 31 December 2013				
Non-derivative financial liabilities:				
Trade and other payables	322,971	–	–	322,971
Borrowings	1,233,761	648,400	11,445	1,893,606
Debt securities	85,581	401,607	–	487,188
Other non-current liabilities	–	27,819	–	27,819
Derivative financial liabilities:				
Other non-current liabilities	–	51,546	–	51,546
	1,642,313	1,129,372	11,445	2,783,130

35 Financial risk management objectives and policies (cont'd)

c. Liquidity risk (cont'd)

The Company and the Group ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

d. Project development risk

Construction delays can result in loss of revenue. The failure to complete construction of a project according to its planned specifications or schedules may result in liabilities, reduce project efficiency and lower returns. The Group manages this risk by closely monitoring the progress of all projects through all stages of construction.

36 Capital management

The Company's and Group's objectives when managing capital are:

a. To safeguard the Companies and the Group's abilities to continue as a going concern;
b. To support the Company's and the Group's stabilities and growth;
c. To provide capital for the purpose of strengthening the Company's and the Group's risk management capabilities; and
d. To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company and the Group currently do not adopt any formal dividend policy.

The Company and the Group monitor capital net debt ratio, which is net debt divided by total capital plus net debt. The Company and the Group include with net debt, total borrowings, less bank balances and short-term deposits capital represents total equity of the Group. The capital net debt ratio is monitored both inclusive and exclusive of the Group's financial services companies, which by their nature are generally more leveraged than the Group's other businesses. The Company and the Group do not have a defined gearing ratio benchmark or range.

The capital net debt ratios at 31 December 2014 and 2013 were as follows:

	The Company		The Group	
	2014	2013	**2014**	2013
Capital net debt ratio excluding financial service companies	**0.28**	0.27	0.38	0.38
Capital net debt ratio including financial service companies	**0.28**	0.27	0.47	0.46

There were no changes in the Company's and the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements except as disclosed in Note17 and Note 18.

37 Financial instruments

Accounting classification of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are as follows:

2014	Note	Available -for-sales $'000	Fair value -hedging instrument $'000	Financial assets through profit or loss $'000	Loan and receivables $'000	Total $'000
The Company						
Financial assets						
Trade and other receivables	13	–	–	–	117,804	117,804
Cash and cash equivalents	14	–	–	–	525	525
Other non-current assets	10	–	–	–	10,159	10,159
		–	–	–	128,488	128,488
The Group						
Financial assets						
Trade and other receivables	13	–	–	–	491,012	491,012
Financing receivables	8	–	–	–	766,085	766,085
Cash and cash equivalents	14	–	–	–	161,292	161,292
Derivative assets	23	–	17,030	42,201	–	59,231
Other non-current assets	10	79,367	–	–	472,339	551,706
		79,367	17,030	42,201	1,890,728	2,029,326

2014	Note	Fair value –hedging instrument $'000	Financial liabilities through profit or loss $'000	Other financial liabilities within the scope of FRS 39 $'000	Total $'000
The Company					
Financial liabilities					
Trade and other payables	21	–	–	19,037	19,037
Borrowings	17	–	–	347,428	347,428
Debt securities	18	–	–	414,274	414,274
Derivative liabilities	23	–	2,683	–	2,683
Other non-current liabilities	20	–	–	90	90
		–	2,683	780,829	783,512

37 Financial instruments (cont'd)

Accounting classification of financial assets and financial liabilities (cont'd)

2014	Note	Fair value -hedging instrument $'000	Financial liabilities through profit or loss $'000	Other financial liabilities within the scope of FRS 39 $'000	Total carrying amount $'000
The Group					
<u>Financial liabilities</u>					
Trade and other payables	21	–	–	359,411	359,411
Borrowings	17	–	–	1,505,126	1,505,126
Debt securities	18	–	–	727,905	727,905
Derivative liabilities	23	183	44,884	–	45,067
Other non-current liabilities	20	–	–	27,664	27,664
		183	44,884	2,620,106	2,665,173

2013	Note	Available -for-sales $'000	Fair value -hedging instrument $'000	Financial assets through profit or loss $'000	Loan and receivables $'000	Total $'000
The Company						
<u>Financial assets</u>						
Trade and other receivables	13	–	–	–	120,203	120,203
Cash and cash equivalents	14	–	–	–	3,062	3,062
Other non-current assets	10	–	–	–	9,140	9,140
		–	–	–	132,405	132,405
The Group						
<u>Financial assets</u>						
Trade and other receivables	13	–	–	–	350,739	350,739
Financing receivables	8	–	–	–	652,736	652,736
Cash and cash equivalents	14	–	–	–	168,363	168,363
Derivative assets	23	–	17,727	51,437	–	69,164
Other non–current assets	10	72,120	–	–	454,518	526,638
		72,120	17,727	51,437	1,626,356	1,767,640

37 Financial instruments (cont'd)

Accounting classification of financial assets and financial liabilities (cont'd)

2013	Note	Fair value -hedging instrument $'000	Financial liabilities Through profit or loss $'000	Other financial liabilities within the scope of FRS 39 $'000	Total carrying amount $'000
The Company					
Financial liabilities					
Trade and other payables	21	–	–	15,351	15,351
Borrowings	17	–	–	629,755	629,755
Debt securities	18	–	–	87,201	87,201
Other non-current liabilities	20	–	–	90	90
		–	–	732,397	732,397
The Group					
Financial liabilities					
Trade and other payables	21	–	–	322,971	322,971
Borrowings	17	–	–	1,723,304	1,723,304
Debt securities	18	–	–	403,751	403,751
Derivative liabilities	23	109	51,437	–	51,546
Other non-current liabilities	20	–	–	27,819	27,819
		109	51,437	2,477,845	2,529,391

38 Fair value measurement

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2014 and 31 December 2013.

38 Fair value measurement (cont'd)

2014	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets					
The Group					
Quoted financial assets	10	79,367	–	–	79,367
Derivative assets	23	–	59,231	–	59,231
		79,367	59,231	–	138,598
Financial liabilities					
The Company					
Derivative liabilities	23	–	2,683	–	2,683
The Group					
Derivative liabilities	23	–	45,067	–	45,067
2013					
Financial assets					
The Group					
Quoted financial assets	10	72,120	–	–	72,120
Derivative assets	23	–	69,164	–	69,164
		72,120	69,164	–	141,284
Financial liabilities					
The Group					
Derivative liabilities	23	–	51,546	–	51,546

i. Level 1 fair value measurements

The available-for-sale equity investment held by the Group is traded in active markets and is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets held by the Group is the current market price.

ii. Level 2 fair value measurements

The Group's derivatives consist of interest rate swap contracts and cross currency interest rate swap contracts. These derivatives are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, foreign exchange spot and forwards rates, interest rate curves and forward rate curves.

iii. Level 3 fair value measurements

The Company and the Group did not have any assets and liabilities under level 3 fair value measurements.

iv. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

38 Fair value measurement (cont'd)

The carrying amount of trade and other receivables (Note 13), current financing receivables (Note 8), cash and cash equivalents (Note 14), trade and other payable (Note 21), current borrowings (Note 17) and debt securities (Note 18) are reasonable approximation of fair values due to their short term nature.

The carrying amounts of other non-current assets (Note 10), non-current financing receivables (Note 8), other non-current liabilities (Note 20) and non-current borrowings (Note 17) and debt securities (Note 18) are reasonable approximation of fair values as their interest rate approximate the market lending rate.

39 Prior year adjustment and comparative figures

a. Prior year adjustment

The consolidated financial statements for 2013 have been restated to reflect the effects of the retrospective adjustment of the goodwill arising from the finalisation of the fair values of the assets and liabilities, relating to the acquisition of PT Indomobil Sukses Internasional Tbk ("PT IMAS") which was acquired during the financial year ended 31 December 2013. In accordance with FRS 103 Business Combinations, the adjustments for the finalisation of the provisional PPA which are to be made within twelve months from the date of acquisition have been made retrospectively.

With the completion of PPA exercise in accordance with FRS 103 Business combinations, the provisional goodwill has been revised for the recognition of dealerships, distributorships, inventory and associates.

As such, the results for the previous financial year ended 31 December 2013 have been restated to include amortisation, cost of sales and the corresponding reduction in income from the finalisation of the PPA exercise. Adjustments are also made to the intangible assets, deferred taxation and reserves balances in the consolidated statement of financial position.

The restatements of each of the affected financial line items for the previous financial year ended 31 December 2013 are as follows:

Consolidated Statement of Financial Position

The Group	Balance at 31 December 2013 As previously reported $'000	Effect of Prior year Adjustment $'000	Balance at 31 December 2013 as restated $'000
Intangible assets	1,269,162	(447,826)	821,336
Associates	193,436	67,049	260,485
Deferred tax liabilities	4,575	95,289	99,864
Retained profits	105,611	(11,114)	94,497
Non-controlling interest	622,542	(464,952)	157,590

39 Prior year adjustment and comparative figures (cont'd)

a. Prior year adjustment (cont'd)

Consolidated Statement of Comprehensive Income

The Group	Balance at 31 December 2013 As previously reported $'000	Effect of Prior year Adjustment $'000	Balance at 31 December 2013 as restated $'000
Cost of sales	(1,584,052)	(12,225)	(1,596,277)
General and administrative expenses	(105,980)	(10,818)	(116,798)
Profit before taxation	86,240	(23,043)	63,197
Taxation	(16,043)	5,762	(10,281)
Basic earnings per share (cents)	1.180	(0.276)	0.904
Diluted earnings per share (cents)	1.133	(0.265)	0.868

b. Comparative figures

Certain comparative information has been reclassified to conform with current years' presentation as follows:-

Consolidated Statement of Financial Position

The Group	2013	
	As restated S$'000	As previously reported S$'000
Non-current Assets		
Other non-current assets	623,753	606,026
Current Assets		
Trade and other receivables	409,253	426,871
Non-current Liabilities		
Other non-current liabilities	80,240	80,131

40 Events after end of reporting period

i. On 2 February 2015, the Company issued $75 million 7.00% unsecured notes due 2017 under the US$500 million Euro Medium Term Note Programme established by the Company.

ii. On 26 March 2015, the Company proposed to issue $175 million 7.00% unsecured notes due 2018 under the US$500 million Euro Medium Term Note Programme established by the Company. The issue date of the Notes is expected to be on or about 6 April 2015.

iii. On 23 March 2015, the Group held a Public Expose Offering of Indomobil Finance Indonesia Continuous Bond II for 2 years since the effective date with fixed interest rate with Target Collected Funds amounting to 3 trillion rupiah. In connection with the continuous offer, the Group will issue and offer Indomobil Finance Indonesia Continuous Bonds II Phase I Year 2015 with maximum principal amount of 500 billion rupiah with maturity period of 370 calendar days, 36 months and 48 months for three types of bonds.

iv. The Group obtained approval from PT Bank DBS Indonesia and PT Bank UOB Indonesia to extend the loan maturity from February 2015 to May 2015.

v. The Group repaid the loan facility to PT Bank Central Asia Tbk.

vi. The Group increased its shareholding in PT Garuda Mataram Motor ("PT GMM"), a subsidiary of PT IMAS to 99.69%.

vii. The Group established a company, PT Data Arts Xperience ("PT DAX") with DAC Asia Pte. Ltd to engage in data processing, advertising and web portal. The Group holds 65% while DAC Asia Pte. Ltd holds the remaining shareholding percentages.

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2015

Issued and Fully Paid-up Capital	:	S$1,880,153,879.64
Number of Issued Shares	:	4,824,965,112
Number of Treasury Shares	:	Nil
Class of Shares	:	Ordinary
Voting Rights	:	One vote per share

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	50	1.04	1,062	0.00
100-1,000	491	10.18	239,465	0.00
1,001-10,000	1,370	28.41	10,299,757	0.21
10,001-1,000,000	2,865	59.40	209,396,749	4.34
1,000,001 and above	47	0.97	4,605,028,079	95.44
Total	4,823	100.00	4,824,965,112	100.00

Top 20 Shareholders

No.	NAME	NO OF SHARES	%
1	RAFFLES NOMINEES (PTE) LTD	1,359,392,519	28.17
2	HSBC (SINGAPORE) NOMS PTE LTD	1,316,701,990	27.29
3	CIMB SEC (S'PORE) PTE LTD	580,200,010	12.02
4	SEMBCORP DEVELOPMENT LTD	577,057,166	11.96
5	CITIBANK NOMS S'PORE PTE LTD	413,785,061	8.58
6	DB NOMINEES (S) PTE LTD	110,308,184	2.29
7	DBS NOMINEES PTE LTD	26,501,700	0.55
8	OCBC SECURITIES PRIVATE LTD	26,307,129	0.55
9	UOB KAY HIAN PTE LTD	23,800,000	0.49
10	MAYBANK KIM ENG SECS PTE LTD	21,368,500	0.44
11	CIGA ENTERPRISES PTE LTD	18,670,000	0.39
12	KWEE LIONG PHING	17,459,000	0.36
13	UNITED OVERSEAS BANK NOMINEES	15,606,392	0.32
14	PHILLIP SECURITIES PTE LTD	12,205,310	0.25
15	MORGAN STANLEY ASIA (S) SEC PL	10,111,600	0.21
16	PRIMEVEST HOLDINGS PTE LTD	6,000,000	0.12
17	DBS VICKERS SECS (S) PTE LTD	5,969,005	0.12
18	DBSN SERVICES PTE LTD	4,321,000	0.09
19	GOH GUAN SIONG (WU YUANXIANG)	3,836,000	0.08
20	MERRILL LYNCH (SPORE) PTE LTD	3,387,940	0.07
	Total	**4,552,988,506**	**94.36**

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2015

Public Float

Based on the information available to the Company as at 16 March 2015, approximately 13.45 % of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with

SUBSTANTIAL SHAREHOLDERS

	Number of Shares	
	Direct Interest	Deemed Interest
Dornier Profits Limited (“**Dornier Profits**”)	189,545,100	467,466,638
Parallax Venture Partners XXX Ltd (“**PVP**”)	2,936,862,151	657,011,738
Salim Wanye (Shanghai) Enterprises Co., Ltd (“**Salim Wanye**”) (1)	–	3,593,873,889
Jaslene Limited (“**Jaslene**”) (1)	–	3,593,873,889
Success Medal International Limited (“**Success Medal**”) (1)	–	3,593,873,889
Salim & Van (Shanghai) Investment Ltd (“**Salim & Van**”) (1)	–	3,593,873,889
Manyip Holdings Limited (“**Manyip**”) (1)	–	3,593,873,889
Anthoni Salim (2)	–	3,596,980,577
Sembcorp Development Ltd (“**SDL**”) (3)	577,057,166	–
Sembcorp Industries Ltd. (“**SCI**”) (3)	–	577,057,166
Temasek Holdings (Private) Limited (“**Temasek**”) (3)	–	577,057,166

Notes:

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Gallant Venture Ltd. will be held at Orchard Parade Hotel Antica I & II Level 2, 1 Tanglin Road Singapore 247905 on Tuesday, 28 April 2015 at 10.00 a.m. to transact the following businesses: -

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2. To approve the Directors' fee of S$405,000 for the financial year ended 31 December 2014 (2013: S$355,000/-). **(Resolution 2)**

3. To re-elect Mr Gianto Gunara who is retiring under Article 115 of the Articles of Association of the Company. **(Resolution 3)**

4. To re-elect Mr Foo Ko Hing who is retiring under Article 115 of the Articles of Association of the Company.

   Mr Foo Ko Hing will, upon re-appointment as Director of the Company, remain as a member of the Audit Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will continue as the Member of the Nominating and Remuneration Committees. **(Resolution 4)**

5. To re-elect Dr Tan Chin Nam who is retiring under Article 115 of the Articles of Association of the Company. **(Resolution 5)**

6. To consider, and if thought fit, to pass the following resolution to re-appoint the following Director:

   "That pursuant to Section 153(6) of the Companies Act, Chapter 50 ("Companies Act"), Mr Rivaie Rachman be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting of the Company". **(Resolution 6)**

   Mr Rivaie Rachman will, upon re-appointment as Director of the Company, remain as a member of the Audit Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will continue as the Chairman of the Nominating Committee and a member of the Remuneration Committee.

7. To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:-

8. Authority to issue shares

   That authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in 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 during the continuance of this authority or thereafter, 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) issue Shares in pursuance of any Instrument made or granted by the directors while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution),

Provided that:

(c) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 50% of the total number of issued Shares (as calculated in accordance with paragraph (d) below), and provided further that where shareholders of the Company ("Shareholders") are not given the opportunity to participate in the same on a pro-rata basis ("non pro-rata basis"), then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 20% of the total number of issued Shares (as calculated in accordance with paragraph (d) below);

(d) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (c) above, the total number of issued Shares shall be based on the total number of issued Shares of the Company (excluding treasury shares) at the time such authority was conferred, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising share options or the vesting of share awards which are outstanding or subsisting at the time such authority was conferred; and

(iii) any subsequent bonus issue, consolidation or subdivision of the Shares;

and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument; and

(e) (unless revoked or varied by the Company in general meeting), the authority so conferred 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.

(Resolution 8)
(See Explanatory Note 1)

9. Renewal of the Shareholders' Mandate for Interested Person Transactions

That:-

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the SGX-ST, 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 as set out in the Appendix to this Notice of Annual General Meeting (the "Appendix"), with any party who falls within the classes of interested persons as described in the Appendix, provided that such transactions are made on normal commercial terms and are in accordance with the review procedures for Interested Person Transactions as set out in the Appendix (the "IPT Mandate");

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next Annual General Meeting of the Company is held or is required by law to be held, whichever is earlier;

(c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual of the SGX-ST which may be prescribed by the SGX-ST from time to time; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including, without limitation, 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. **(Resolution 9)**
(See Explanatory Note 2)

10. Renewal of the Share Purchase Mandate

That:

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

(i) market purchases (each a "Market Purchase") on the 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 scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and listing 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 in paragraph (a) of this Resolution may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

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

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

(c) in this Resolution:

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

"**Maximum Price**", in relation to a Share to be purchased or acquired, 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 (as defined hereinafter); and

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

where:

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

"**Closing Market Price**" means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources;

"**date of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; 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. **(Resolution 10)**

(See Explanatory Note 3)

ANY OTHER BUSINESS

10. To transact any other business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Choo Kok Kiong
Executive Director and Company Secretary
Singapore, 13 April 2015

Explanatory Notes:-

1. Ordinary Resolution 8 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in total 50% of the total number of issued shares in the capital of the Company calculated on the basis set out in the said resolution. For issues of shares and convertible securities other than on a pro rata basis to all Shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed 20% of the total number of issued shares in the capital of the Company calculated on the basis set out in the said resolution. This authority will, unless revoked or varied at a general meeting, expire at 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 earlier.

2. Ordinary Resolution 9 relates to the renewal of the mandate, which was approved by the shareholders on 30 April 2014 allowing the Company, its subsidiaries and associated companies to enter into transactions with interested persons as defined in Chapter 9 of the Listing Manual of the SGX-ST. Please refer to the Appendix to this Notice of Annual General Meeting for more information.

3. Ordinary Resolution 10 relates to the renewal of the mandate, which was first approved by the shareholders on 23 January 2009 and was renewed at the previous annual general meetings of the Company, authorising the Company to purchase its own Shares. Please refer to the Appendix to this Notice of Annual General Meeting for more information.

Notes:-

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy in his stead.

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

3. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy must be deposited at the registered office of the Company at 991A Alexandra Road #02-06/07, Singapore 119969 not later than 48 hours before the time appointed for the Meeting.

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 of the Company 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing 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), 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) 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.

PROXY FORM

GALLANT VENTURE LTD.

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

IMPORTANT

1. For investors who have used their CPF monies to buy GALLANT VENTURE LTD. shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR THEIR INFORMATION ONLY.
2. 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.

*I/We ____ (Name)

of ____ (Address)

being a *member/members of Gallant Venture Ltd. (the "**Company**") hereby appoint:-

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy	
			No. of Shares	%

*and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy	
			No. of Shares	%

as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting ("**AGM**") of the Company to be held at Orchard Parade Hotel Antica I & II Level 2 1 Tanglin Road Singapore 247905 on Tuesday, 28 April 2015 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting as the *proxy/proxies deem fit.

	Resolutions	For	Against
	Ordinary business		
1.	To receive and adopt the Audited Financial Statements, Reports of Directors and Auditors for the financial year ended 31 December 2014		
2.	To approve Directors' fee of S$405,000 for the year ended 31 December 2014.		
3.	To re-elect Mr Gianto Gunara, a Director retiring under Article 115 of the Articles of Association of the Company		
4.	To re-elect Mr Foo Ko Hing, a Director retiring under Article 115 of the Articles of Association of the Company		
5.	To re-elect Dr Tan Chin Nam, a Director retiring under Article 115 of the Articles of Association of the Company		
6.	To re-appoint Mr Rivaie Rachman, a Director pursuant to Section 153(6) of the Companies Act, Cap. 50		
7.	To re-appoint Foo Kon Tan LLP as Auditors and to authorise the Directors to fix their remuneration.		
	Special business		
8.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		
9.	To approve the renewal of the IPT Mandate for Interested Person Transactions		
10.	To approve the renewal of the Share Purchase Mandate.		

** Delete accordingly*

Dated this __________ day of ________________ 2015

Total number of Shares held in:	Number of shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) or Common Seal of member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on his stead. Such proxy need not be a member of the Company.

2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

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

4. A corporation which is a member of the Company may authorize 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 its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.

5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 991A Alexandra Road #02-06/07, Singapore 119969 not later than 48 hours before the time set for the Annual General Meeting.

6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the 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 of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

fold here

Affix
Postage
Stamp

The Company Secretaries
GALLANT VENTURE LTD.
991A Alexandra Road
#02-06/07
Singapore 119969

fold here

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

Gallant Venture Ltd
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