PT BERLIAN LAJU TANKER Tbk
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2015 AND
FOR THE YEAR THEN ENDED
AND INDEPENDENT AUDITORS' REPORT

PT BERLIAN LAJU TANKER Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2015 AND FOR THE YEAR THEN ENDED
AND INDEPENDENT AUDITORS' REPORT

Table of Contents

	Pages
Directors' Statement Letter	
Independent Auditors' Report	
Consolidated Statement of Financial Position	1 - 3
Consolidated Statement of Profit or Loss and Other Comprehensive Income	4 - 5
Consolidated Statement of Changes in Equity (Capital Deficiency)	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 123

PT BERLIAN LAJU TANKER Tbk
" Delivers with Safety, Competitiveness and Timeliness "

DIRECTORS' STATEMENT LETTER
RELATING TO THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS OF
PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015

On behalf of the Board of Directors, I, the undersigned:

1. Name : Siana Anggraeni Surya
   Office Address : Wisma BSG Lantai 10
   Jl. Abdul Muis No. 40
   Jakarta Pusat 10160
   Phone Number : 62 - 21- 30060300
   Position : President Director

state that:

1. We are responsible for the preparation and presentation of the consolidated financial statements of PT Berlian Laju Tanker Tbk and its subsidiaries (the "Group");
2. The consolidated financial statements of the Group have been prepared and presented in conformity with International Financial Reporting Standards;
3. a. All information contained in the consolidated financial statements of the Group is complete and correct;
   b. The consolidated financial statements of the Group do not contain misleading material information or facts, and do not omit material information and facts;
4. We are responsible for the Group's internal control system.

This statement has been made truthfully.

Jakarta, April 29, 2016

President Director

METERAI TEMPEL 5106EADF920421906 6000 ENAM RIBU RUPIAH
PT BERLIAN LAJU TANKER Tbk JAKARTA - INDONESIA

(Siana Anggraeni Surya)

Head Office :
Wisma BSG 10th Floor
Jl. Abdul Muis No. 40
Jakarta 10160 INDONESIA
P : +62 21 30060300
F : +62 21 30060390

www.blt.co.id

Crowe Horwath™

KOSASIH, NURDIYAMAN, MULYADI, TJAHJO & REKAN
Registered Public Accountants No. 29/KM.1/2016 (Branch)
Member Crowe Horwath International

Wisma 46 - Kota BNI 37th Floor Suite 3708
Jl. Jend. Sudirman Kav. 1, Jakarta 10220, Indonesia
+62 (21) 574 2116-17
+62 (21) 574 2118 Fax
www.crowehorwath.co.id

Independent Auditors' Report

Report No. KNMT&R-C-29.04.2016/02

The Stockholders, Boards of Commissioners and Directors
PT BERLIAN LAJU TANKER TBK

We have audited the accompanying consolidated financial statements of PT Berlian Laju Tanker Tbk ("the Company") and its subsidiaries (collectively referred as the "Group"), which comprise the consolidated statement of financial position as of December 31, 2015, and the consolidated statement of profit or loss and other comprehensive income, changes in equity (capital deficiency) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with International 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessments of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assesments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

Basis for qualified opinion

(i) As disclosed in Note 16 to the accompanying consolidated financial statements, the Company had not yet finalized its 2015 corporate income tax and deferred tax calculation as of the date of the completion of the consolidated financial statements for the year ended December 31, 2015. As a result, we were unable to satisfy ourselves through other auditing procedures with the calculations of the Company's current and deferred income tax and the related income tax accounts for the fiscal year 2015 including the related notes to the 2015 consolidated financial statements.

(ii) As disclosed in Note 23 to the accompanying consolidated financial statements, the Group has erroneously used 365-day period in determining the fair value and interest of the US$ 400.0 million notes payable which resulted to overstatement of income for the year 2013 by US$ 8.8 million and 2014 by US$ 0.2 million, on which the Group decided to correct it to the 2015 consolidated financial statements. International Financial Reporting Standards require that such amount should be accounted in the correct period. Had the Group accounted and recorded those amounts in the proper period, the net income for the year would have been increased by US$ 9.0 million.

Opinion

In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraphs, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Berlian Laju Tanker Tbk and its subsidiaries as of December 31, 2015, and their consolidated financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Emphasis of matter

The accompanying consolidated financial statements have been prepared assuming that the Group will continue as a going concern. As discussed in Note 44 to the consolidated financial statements, the Group continued to have negative working capital and deficit due to the significant recurring losses over the past years. In 2015, the Group proposed to amend its Restructuring Plan which was approved by the requisite majority creditors of both secured and unsecured creditors of the Group on August 14, 2015. Pursuant to PKPU Amendment Plan, the Group transferred its assets and converted its debts into the Company's shares in exchange for extinguishment of debt as described in Note 40 to the consolidated financial statements. As a result, the Group is left with 5 vessels out of 31 owned vessels and 8 leased vessels in 2014 and restructured loans to secured creditors and to other PKPU Plan creditors. The Group's continuation as a going concern is dependent upon its ability to generate sufficient cash flows to meet its obligations on a timely basis, to comply with the terms and conditions in the PKPU Amendment Plan and ultimately, to attain profitable operations and improve the position of the Group's deficit. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are disclosed in Note 44 to the consolidated financial statements. The accompanying consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Other matters

The consolidated financial statements of PT Berlian Laju Tanker Tbk and its subsidiaries as of December 31, 2014 and for the year then ended were audited by other independent auditors who expressed a qualified opinion in their report dated March 31, 2015 on those statements. The qualifications stated in the 2014 independent auditors' report are as follows:

1. The Group recorded a gain on extinguishment of debt amounting to US$ 14.0 million in 2014 as a result of correcting the net amount of the Group's payable to PT Buana Listya Tama Tbk (BULL) and its subsidiaries. As of December 31, 2013 such amount was carried by the Group as part of the amount payable to BULL and its subsidiaries. The Group should have accounted and recorded such amount in the proper accounting periods.

2. The Company finalized its 2013 income tax calculation in 2014 and accounted the additional taxable income in 2013 amounting to US$ 28.3 million as part of the 2014 taxable income. The Company also decided to correct the overstatement of 2013 deferred tax liabilities amounting to US$ 7.1 million in the 2014 consolidated financial statements. The Group should have accounted and recorded such amount in the proper accounting periods.

3. The Group has been experiencing recurring losses that resulted to capital deficiency and negative working capital amounting to US$ 1.2 billion and US$ 101.9 million, respectively, as of December 31, 2014. The Group's Restructuring Plan required payments of principal installments and interest on loans, bonds, notes payable and other payables to commence in 2015. As of the issuance date of 2014 consolidated financial statements, the management had yet to finalize any plan in this regard.

Kosasih, Nurdiyaman, Mulyadi, Tjahjo & Rekan

Tjahjo Dahono, SE, CPA
License of Public Accountant No. AP. 0518

April 29, 2016

PT BERLIAN LAJU TANKER Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015
(Expressed in United States dollar, unless otherwise stated)

	December 31, 2015	Notes	December 31, 2014
	US$'000		US$'000
ASSETS			
CURRENT ASSETS			
Cash on hand and in banks	10,314	5,42	23,945
Trade receivables - third parties	2,407	7,42	17,654
Other receivables - third parties	7,053	8,42	3,847
Inventories	251	9	6,525
Advances	1,215		7,618
Prepaid expenses and taxes	986		4,157
Total Current Assets	22,226		63,746
NON-CURRENT ASSETS			
Restricted cash	-	6,40,42	9,168
Derivative financial asset	23,392	10,42	-
Available-for-sale financial assets	18,059	11,42	21,459
Investment in associates and joint venture	8,075	12	2,607
Fixed assets	29,269	13	590,380
Deferred tax assets	-	16	312
Other non-current assets	85	42	140
Total Non-current Assets	78,880		624,066
TOTAL ASSETS	**101,106**		**687,812**

The accompanying notes form an integral part of
these consolidated financial statements.

PT BERLIAN LAJU TANKER Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS OF DECEMBER 31, 2015
(Expressed in United States dollar, unless otherwise stated)

	December 31, 2015	Notes	December 31, 2014
	US$'000		US$'000
LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)			
CURRENT LIABILITIES			
Trade accounts payable		14,38,40,42	
Related parties	310		964
Third parties	9,700		29,389
Accrued expenses	8,278	15,22,42	18,184
Taxes payable	205	16	1,346
Current maturities of long-term liabilities			
Loan payable	2,124	17,38,40,42	70,126
Obligations under finance lease	-	19,40,42	32,877
Other payables	1,585	20,40,42	1,998
Provision	-	21,40,42	7,113
Other current liabilities	249	42	3,615
Total Current Liabilities	22,451		165,612
NON-CURRENT LIABILITIES			
Long-term liabilities - net of current maturities			
Loans payable	29,234	17,38,40,42	657,330
Bonds payable	-	18,40,42	238,751
Notes payable	-	23,40,42	382,135
Obligations under finance lease	-	19,40,42	148,143
Other payables	10,757	20,40,42	249,904
Provision for post-employment benefits	1,217	22	1,481
Deferred tax liabilities	636	16	16,831
Total Non-current Liabilities	41,844		1,694,575
TOTAL LIABILITIES	**64,295**		**1,860,187**

The accompanying notes form an integral part of
these consolidated financial statements.

PT BERLIAN LAJU TANKER Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS OF DECEMBER 31, 2015
(Expressed in United States dollar, unless otherwise stated)

	2015	Notes	2014
	US$'000		US$'000
EQUITY (CAPITAL DEFICIENCY)			
Share capital			
Par value			
Series A shares - Rp 62.50 per share			
Series B shares - Rp 50.00 per share			
Authorized			
2015 - 44,237,830,228 series A shares and 2,456,869,565 series B shares			
2014 - 14,676,480,000 series A shares			
Issued and fully paid			
2015 - 23,483,317,538 series A shares			
2014 - 11,550,831,470 series A shares	163,636	24,40	109,575
Additional paid-in capital	1,115,632	25,40	136,141
Other capital reserves	7,932	17,40	25,183
Treasury shares	(6,516)	26	(6,516)
Difference arising from changes in equity of subsidiaries and effect of transactions with non-controlling interest	7,787	27	7,787
Reserves	11,806	28	17,384
Deficit	(1,263,466)	29	(1,461,929)
Equity (capital deficiency) attributable to owners of the Company	**36,811**		**(1,172,375)**
Non-controlling interests	**-**		**-**
TOTAL EQUITY (NET CAPITAL DEFICIENCY)	**36,811**		**(1,172,375)**
TOTAL LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)	**101,106**		**687,812**

The accompanying notes form an integral part of
these consolidated financial statements.

PT BERLIAN LAJU TANKER Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States dollar, unless otherwise stated)

	2015	Notes	2014
	US$'000		US$'000
OPERATING REVENUES	253,191	30	315,425
VOYAGE EXPENSES	(83,904)	31	(138,205)
OPERATING REVENUES AFTER VOYAGE EXPENSES	**169,287**		**177,220**
OPERATING EXPENSES			
Ship operating expenses	(57,259)	32	(64,111)
Vessel depreciation	(36,729)	13	(41,820)
Charter expenses	(11,686)		(16,616)
Total Operating Expenses	(105,674)		(122,547)
GROSS PROFIT	**63,613**		**54,673**
OTHER INCOME (EXPENSES)			
Administrative expenses	(40,249)	33	(41,773)
Gain on extinguishment of debt - net	172,847	17,18,19,20,21	-
Gain on debt restructuring	40,561	17,20	27,277
Foreign exchange gain - net	17,189		21,815
Share in profits of associates and joint venture	6,968	12	3,850
Other losses - net	(2,398)	35	(12,923)
Total Other Income (Expense)	194,918		(1,754)
INCOME BEFORE INTEREST AND INCOME TAX	**258,531**		**52,919**
Finance cost	(87,683)	34	(93,363)
Interest income	5	5	10
INCOME (LOSS) BEFORE INCOME TAX	**170,853**		**(40,434)**
INCOME TAX BENEFIT - NET	16,366	16	392
NET INCOME (LOSS) FOR THE YEAR	**187,219**		**(40,042)**

The accompanying notes form an integral part of
these consolidated financial statements.

PT BERLIAN LAJU TANKER Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States dollar, unless otherwise stated)

	2015	Notes	2014
	US$'000		US$'000
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss in subsequent periods:			
Net increase (decrease) in revaluation reserves of vessels	6,149	28	(2,785)
Deferred income tax related to revaluation of vessels	(500)	16,28	382
Remeasurements on post-employment benefits	223	22,29	130
Deferred income tax related to remeasurements on post-employment benefits	(56)	16,29	(32)
Sub-total	5,816		(2,305)
Item that will be reclassified to profit or loss in subsequent periods:			
Financial statements translation	(150)		(98)
OTHER COMPREHENSIVE INCOME (LOSS)	5,666		(2,403)
TOTAL COMPREHENSIVE INCOME (LOSS)	**192,885**		**(42,445)**
Net income (loss) for the year attributable to:			
Owners of the Company	187,219		(40,042)
Non-controlling interest	-		-
Total	187,219		(40,042)
Total comprehensive income (loss) for the year attributable to:			
Owners of the Company	192,885		(42,445)
Non-controlling interest	-		-
Total	192,885		(42,445)
BASIC INCOME (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (in full amount)	**0.0162**	36	**(0.0035)**
DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (in full amount)	**0.0134**	36	**(0.0035)**

The accompanying notes form an integral part of
these consolidated financial statements.

PT BERLIAN LAJU TANKER Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States dollar, unless otherwise stated)

	Notes	Share capital (Note 24)	Additional paid-in capital (Note 25)	Other capital reserves (Note 40)	Treasury shares (Note 26)	Difference arising from changes in equity of subsidiaries and effect of transactions with non-controlling interest (Note 27)	Reserves (Note 28)			Deficit (Note 29)	Total equity (net capital deficiency)
							Revaluation reserves	Financial statements translation	General reserves		
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as of January 1, 2014		**109,575**	**136,141**	**25,153**	**(6,516)**	**7,787**	**15,947**	**127**	**5,898**	**(1,424,072)**	**(1,129,960)**
Net loss for the year		-	-	-	-	-	-	-	-	(40,042)	(40,042)
Other comprehensive income (loss)	28,29	-	-	-	-	-	(2,403)	(98)	-	98	(2,403)
Equity to be issued to creditor		-	-	30	-	-	-	-	-	-	30
Transfer to deficit	28	-	-	-	-	-	(2,087)	-	-	2,087	-
Balance as of December 31, 2014		**109,575**	**136,141**	**25,183**	**(6,516)**	**7,787**	**11,457**	**29**	**5,898**	**(1,461,929)**	**(1,172,375)**
Net income for the year		-	-	-	-	-	-	-	-	187,219	187,219
Other comprehensive income (loss)	28,29	-	-	-	-	-	5,649	(150)	-	167	5,666
Other contributed capital	17	-	-	7,932	-	-	-	-	-	-	7,932
Written-off due to PKPU Amendment Plan	40	-	-	(25,183)	-	-	-	-	-	-	(25,183)
Shares issued to creditors	24,25	54,061	979,491	-	-	-	-	-	-	-	1,033,552
Transfer to deficit	28	-	-	-	-	-	(11,077)	-	-	11,077	-
Balance as of December 31, 2015		**163,636**	**1,115,632**	**7,932**	**(6,516)**	**7,787**	**6,029**	**(121)**	**5,898**	**(1,263,466)**	**36,811**

The accompanying notes form an integral part of
these consolidated financial statements.

PT BERLIAN LAJU TANKER Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States dollar, unless otherwise stated)

	2015	Notes	2014
	US$'000		US$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	257,271		307,271
Cash paid to suppliers and employees	(201,877)		(256,094)
Interest paid	(32,662)		(19,984)
Income tax paid	(73)		(106)
Receipts from insurance claim	164		206
Interest received	5		10
Net Cash Provided by Operating Activities	**22,828**		**31,303**
CASH FLOWS FROM INVESTING ACTIVITIES			
Release of restricted cash	9,168	6	-
Acquisition of fixed assets	(7,138)	13	(9,901)
Proceeds from dividend	750	12	-
Decrease in security deposits	54		-
Proceeds from sale of fixed assets - net	17	13	132
Net Cash Provided by (Used in) Investing Activities	**2,851**		**(9,769)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of loans	(16,396)		(2,567)
Payments of obligations under finance lease	(16,515)		(15,294)
Net Cash Used in Financing Activities	**(32,911)**		**(17,861)**
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS	**(7,232)**		**3,673**
CASH ON HAND AND IN BANKS OF THE DECONSOLIDATED SUBSIDIARY	**(5,819)**	45	**-**
CASH ON HAND AND IN BANKS TRANSFERRED TO CREDITOR	**(580)**	17	**-**
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	**23,945**	5	**20,272**
CASH ON HAND AND IN BANKS AT END OF YEAR	**10,314**	5	**23,945**

The accompanying notes form an integral part of
these consolidated financial statements.

1. GENERAL

a. General information

PT Berlian Laju Tanker Tbk (the "Company") was established on March 12, 1981 under the name PT Bhaita Laju Tanker. The Company's name was changed to PT Berlian Laju Tanker on September 5, 1988. The Company was incorporated and domiciled in Jakarta, and has two branches in Merak and Dumai. Its head office is located at Wisma Bina Surya Group (BSG), 10th Floor, Jl. Abdul Muis No. 40, Jakarta.

The Company's scope of activities consists of local and overseas shipping, including but not limited to tanker, barges and tugboat operations. The Company started its commercial operations in 1981. Presently, the Company provides shipping services for liquid cargo transportation in Asia, Europe and America.

The Company's ultimate parent company is PT Bagusnusa Samudra Gemilang (Bagusnusa).

b. Public offering of shares, bonds and notes payable

Shares

The Company's public offering of 2,100,000 shares through the Indonesia Stock Exchange (IDX), at a price of Rp 8,500 per share, was approved by the Ministry of Finance of the Republic of Indonesia on January 22, 1990. These shares were listed in the IDX on March 26, 1990.

On January 27, 1993, the Company obtained the notice of effectivity from the Chairman of the Capital Market Supervisory Agency (Bapepam) (currently Otoritas Jasa Keuangan) for the Company's Rights Issue I to the shareholders totaling 29,400,000 shares at a price of Rp 1,600 per share. These shares were listed in the IDX on May 24, 1993.

On December 26, 1997, the Company obtained the notice of effectivity from the Chairman of Bapepam for the Company's Rights Issue II with pre-emptive right to shareholders totalling 305,760,000 shares with 61,152,000 warrants at an exercise price of Rp 1,200 per warrant. Each warrant was entitled to purchase one share from July 16, 1998 to January 20, 2003. Based on the addendum to the statements of warrant issuance which was notarized on October 17, 2002, the Company decided to extend the period to exercise the warrants for five (5) years or until January 18, 2008. The shares were listed in the IDX on January 16, 1998.

On December 18, 2000, the Company obtained the notice of effectivity from the Chairman of Bapepam for the Company's Rights Issue III with pre-emptive right to shareholders totalling 61,152,000 shares. The Company issued 53,958,150 new common shares with nominal value of Rp 500 per share at an exercise price of Rp 1,100 per share.

The Company conducted a stock split of 4:1 in 2002 and 2:1 in 2004. Thus, the exercise price of the warrants became Rp 150 per share since 2005.

On September 22, 2006, the Company obtained eligibility to list all of its shares in the Singapore Exchange Securities Limited (SGX) Mainboard from SGX. In line with the Company's listing of shares, the Company also amended certain provisions of its Articles of Association, which amendments were approved by the shareholders in the Extraordinary Shareholders' Meeting held on September 11, 2006.

1. GENERAL (continued)

b. Public offering of shares, bonds and notes payable (continued)

Shares (continued)

On June 29, 2009, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK for the Company's rights issue IV with pre-emptive rights to shareholders. In connection with such rights issue, the Company issued 1,392,310,059 new common shares at an exercise price of Rp 425 per share.

On June 30, 2010, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK for the Company's Rights Issue V with pre-emptive rights to shareholders. In connection with such rights issue, the Company issued 5,569,240,235 new common shares at an exercise price of Rp 220 per share.

All 11,550,831,470 issued shares of the Company are listed in the IDX and SGX (Note 24). On January 24, 2012, the Company requested temporary suspension of trading on both stock exchanges on grounds of future disclosure of material information that may affect investors' decision. On January 25, 2012, the IDX and SGX suspended the trading of the Company's securities until further notice by the Company. On January 26, 2012, the Company announced the debt standstill to temporarily cease debt payments of the Group's debts and thereafter worked on a Restructuring Plan, which was approved in March 2013 (Notes 39 and 40).

On December 31, 2015, the Company effectively implemented the Proposed Debt-Equity Swap Share Issuance with unsecured creditors (Notes 17, 18, 20, 21, 23, 40). On January 8, 2016, new shares listing application (11,932,486,068 shares) of the Company has been approved by IDX.

As of the issuance date of these consolidated financial statements, the Company has not resumed trading on both stock exchanges.

Bonds and notes payable

On May 4, 2007 and May 17, 2007, BLT Finance B.V., a subsidiary, issued US$ 400.0 million 7.5% Guaranteed Senior Notes due in 2014 and US$ 125.0 million Zero Coupon Guaranteed Convertible Bonds due in 2012, which were both registered in SGX (Notes 18 and 23).

On June 25, 2007, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK for the Company's public offering of 2007 Berlian Laju Tanker III Bonds amounting to Rp 700.0 billion with fixed interest rate and 2007 Sukuk Ijarah bonds amounting to Rp 200.0 billion (Note 18).

On May 15, 2009, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK for the Company's public offering of 2009 Berlian Laju Tanker IV Bonds amounting to Rp 400.0 billion and 2009 Sukuk Ijarah II bonds amounting to Rp 100.0 billion (Note 18).

1. GENERAL (continued)

b. Public offering of shares, bonds and notes payable (continued)

Bonds and notes payable (continued)

On February 10, 2010 and March 29, 2010, BLT International Corporation, a subsidiary, issued 12.0% Guaranteed Convertible Bonds due in 2015 totaling US$ 100.0 million and US$ 25.0 million, respectively (Note 18).

On January 11, 2016, IDX announced that both the Company's bonds with code BLTA03, BLTA04B and BLTA04C, and Sukuk with code SIKBLTA02A, SIKBLTA02B and SIKBLTA01B have been due on January 12, 2016 as implementation of the "Penundaan Kewajiban Pembayaran Utang" (PKPU) Amendment Plan and these bonds will be delisted in IDX effective on January 12, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Except for the consolidated statement of cash flows, the consolidated financial statements have been prepared using the accrual basis. The measurement basis used is historical cost, except for certain accounts which are measured on the basis as described in the related accounting policies.

The consolidated statement of cash flows which has been prepared using the direct method, classifies cash receipts and cash disbursements into operating, investing and financing activities.

The reporting currency used in the preparation of the consolidated financial statements is the United States dollar (US$), which is also the Company's functional currency.

The consolidated financial statements provide comparative information in respect of the previous period.

The consolidated financial statements are issued in relation to the listing of the Company's equity securities in the SGX.

In connection with the Company's listing of shares in the IDX, the Company issued separate consolidated financial statements prepared under Indonesian Financial Accounting Standards (SAK).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies and disclosures

The accounting policies adopted by the Group are consistent with those of the previous year, except for the adoption of new and amended accounting standards that became effective beginning January 1, 2015. Except as otherwise indicated, the adoption of these standards and amendments did not have significant impact on the Group's financial statements. The nature and the impact of each new standard and amendment are described as follows:

- *Employee Contributions* (*Amendments to International Accounting Standards (IAS) 19 Defined Benefit Plans)* - The amendments require an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after July 1, 2014.

The following improvements relevant to the Group's consolidated financial statements are effective from July 1, 2014. These include:

Annual improvements (2010-2012 cycle)

- *IFRS 3 Business Combinations* - The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

- *IFRS 8 Operating Segments* - The amendments are applied retrospectively and clarifies that:
  - An entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are "similar".
  - The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

- *IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets* - The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

- *IAS 24 Related Party Disclosures* - The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies and disclosures (continued)

Annual improvements (2010-2013 cycle)

- *IFRS 3 Business Combinations* - The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:
  - Joint arrangements, not just joint ventures, are outside the scope of IFRS 3.
  - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

- *IFRS 13 Fair Value Measurement* - The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

The amendments affect disclosures only and have no impact on the Group's financial position or performance.

Standards issued but not yet effective

The Group intends to adopt the following standards issued but not yet effective up to the date of issuance of the Group's consolidated financial statements when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards and interpretations to have significant impact on the financial statements.

Effective for annual periods beginning on or after January 1, 2016, with early adoption permitted

- *Accounting for Acquisitions of Interests (Amendments to IFRS 11 Joint Arrangements)* - The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

- *Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)* - The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies and disclosures (continued)

- *Equity Method in Separate Financial Statements (Amendments to IAS 27)* - The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS.

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)* - The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in *IFRS 3, Business Combinations*, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

- *Disclosure Initiative (Amendments to IAS 1)* - The amendments clarify:
  - The materiality requirements in IAS 1
  - That specific line items in the statement of profit or loss and other comprehensive income (OCI) and the statement of financial position may be disaggregated
  - That entities have flexibility as to the order in which they present the notes to financial statements
  - That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

  Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss and OCI.

- *Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)* - The amendments to IFRS 10 clarify that the exemption (in IFRS 10.4) from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies and disclosures (continued)

The following improvements relevant to the Group's consolidated financial statements are effective from January 1, 2016. These include:

Annual improvements (2012-2014 cycle)

- *Servicing Contracts (Amendments to IFRS 7)* - The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- *Applicability of Amendments to Condensed Interim Financial Statements (Amendments to IFRS 7)* - The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. The amendment must be applied retrospectively.

- *Discount Rate: Regional Market Issue (Amendments to IAS 19)* - The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. The amendment must be applied prospectively.

- *Disclosure of Information "Elsewhere in the Interim Financial Report" (Amendments to IAS 34)* - The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. The amendment must be applied retrospectively.

Effective for annual periods beginning on or after January 1, 2018, with early application permitted

- *IFRS 15 Revenue from Contracts with Customers* - IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies and disclosures (continued)

Effective for annual periods beginning on or after January 1, 2018, with early application permitted (continued)

- *IFRS 9 Financial Instruments* - In July 2014, the IASB issued the final version of IFRS 9, which reflects all phases of the financial instruments project and replaces IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Effective for annual periods beginning on or after January 1, 2019, with early application permitted

- *IFRS 16 Leases* – On January 13, 2016, the IASB issued its new standard, IFRS 16, Leases, which replaces IAS 17, the current lease standard, and the related interpretations. Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with IAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and the related liabilities for most leases on their statement of financial position, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which underlying asset is of low value are exempted from these requirements. The accounting by lessors is substantially unchaged as the new standard carries forward the principles of lessor accounting under IAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value. Entities may early adopt IFRS 16 but only if they have also adopted IFRS 15. When adopting IFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs.

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of December 31, 2015 (including special-purpose entities). Control is achieved when the Group 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. Specifically, the Company controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Company's voting rights and potential voting rights.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of the subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the owners of the Company and to non-controlling interests even if it results in the non-controlling interests account having a deficit balance. When necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 the subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets and liabilities.

The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in its relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition.

Non-controlling interests in subsidiaries are identified separately and presented within equity. For each business combination, the Group elects whether to measure the non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. Subsequent to the date of business combination, the carrying amount of non-controlling interests is adjusted for the non-controlling interests' share of subsequent changes in equity of the subsidiary.

d. Transactions with related parties

An individual or family member is related to the Group if it:

a) has control or joint control over the Group;
b) has significant influence over the Group; or
c) is a member of the key management personnel of the Group or the parent of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Transactions with related parties (continued)

A party is considered to be related to the Group if:

a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control of the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
b) the party is an associate of the Group;
c) the party is a joint venture in which the Group is a venturer;
d) the party is a member of the key management personnel of the Group;
e) the party is a close member of the family of any individual referred to in (a) or (d);
f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group; or
h) The party, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Related party transactions are entered into based on terms agreed by the related parties. Such terms may not be the same as those of the transactions between unrelated parties. All transactions and balances with related parties are disclosed in the notes to the consolidated financial statements.

e. Foreign currencies

The individual financial statements of each of the consolidated entities are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the financial performance and financial position of each entity are expressed in US$, which is the Group's functional currency and presentation currency in the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currency) are recognized using their respective functional currency spot rates at the dates the transactions first qualifies for recognition.

At the end of each reporting period, monetary items denominated in foreign currencies are translated using the functional currency spot rates at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated using the prevailing rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

Exchange gains and losses arising from the translation of currencies other than the US$ are recognized in profit or loss in the period in which they arise. The conversion rates used by the Group at the end of reporting period using the middle rates published by Bank Indonesia are as follows:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Foreign currencies (continued)

	2015	2014
Foreign currencies		
Rupiah (Rp'000)	0.0725	0.0804
Singapore dollar (SGD)	0.7069	0.7574
Euro (EUR)	1.0924	1.2165
Yen (JPY)	0.0083	0.0083

For consolidation reporting purposes, assets and liabilities of entities whose functional currency is other than the US$ are translated into US$ using the foreign exchange rates at statement of financial position date, while revenues and expenses are translated at the average foreign exchange rates for the year. The resulting translation adjustments are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

When an entity whose functional currency other than US$ is sold, exchange differences that were accumulated in equity are recognized as part of the gain or loss on sale. Goodwill and fair value adjustments arising from business acquisition of a subsidiary whose functional currency is other than the US$ are treated as assets and liabilities of such entity and are translated at the closing exchange rate.

f. Financial instruments

Classification

i. Financial assets

Financial assets are classified into financial assets as at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available for sale financial assets (AFS), or as derivatives designated as hedging instruments in an effective hedge. The classification depends on the nature and purpose for which the asset was acquired and is determined at the time of initial recognition. The Group has not classified any of its financial assets as held to maturity (HTM).

The Group's financial assets include cash on hand and in banks, trade receivables - third parties, other receivables - third parties, other non-current assets, derivative financial asset and available for sale financial assets.

ii. Financial liabilities

Financial liabilities are classified into financial liabilities at fair value through profit or loss or other financial liabilities measured at amortized cost. The Group determines the classification of its financial liabilities at initial recognition.

The Group's financial liabilities consist of trade payables, accrued expenses, loans payables, bonds payable, obligations under finance lease, notes payable, other payables, provisions and other current liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Financial instruments (continued)

Recognition and measurement

i. Financial assets

Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The subsequent measurement of financial assets depends on their classification as follows:

- Financial assets at fair value through profit or loss
  Financial assets at fair value through profit or loss ("FVTPL") include financial assets held-for-trading and financial assets designated upon initial recognition as fair value through profit or loss. Derivative assets are classified as held-for-trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with gains or losses recognized in profit or loss.

- Loans and receivables
  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, such financial assets are carried at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

- AFS financial assets
  AFS financial assets are non-derivative financial assets that are designated as AFS or are not classified in any of the two preceding categories. Subsequent to initial recognition, AFS financial assets are measured at fair value with unrealized gains or losses recognized in equity until the investment is derecognized wherein the cumulative gain or loss previously recognized in equity is reclassified to profit or loss as a reclassification adjustment.

  Dividends on AFS equity instruments, if any, are recognized in profit or loss when the Group's right to receive the dividends is established. The fair value of AFS monetary financial assets denominated in a foreign currency is determined based on original currency and translated using the prevailing exchange rate at the end of the reporting period. The foreign exchange gains and losses recognized in profit or loss are determined based on the amortized cost of the monetary assets.

  The Group's AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period. The Group's AFS financial assets include its investments in shares of Nevaeh Limited and Swank Ventures Limited (Note 11).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Financial instruments (continued)

Recognition and measurement (continued)

ii. Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, net of directly attributable transaction costs.

The subsequent measurement of financial liabilities depends on their classification, as described below:

- Other financial liabilities

  After initial recognition, loans and borrowings are subsequently measured at amortized cost using EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is currently enforceable legal right to offset the recognized amounts and that there is an intention to settle on a net basis, to realize the assets simultaneously with the liabilities.

Fair value measurements

At each reporting date, the Group measures financial instruments, such as derivative financial asset and AFS financial assets, at fair value and non-financial assets, such as vessels, at revalued amount. The fair values of financial instruments measured at amortized cost are disclosed in Note 42.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Financial instruments (continued)

Fair value measurements (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for fair value measurement. External valuers are involved for valuation of significant assets, such as fixed assets vessels. Involvement of external valuers is decided by management based on expert's market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Amortized cost of financial instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Financial instruments (continued)

Impairment of financial assets (continued)

i. Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss.

When the asset becomes uncollectible, the carrying amount of the financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

If, in a subsequent period, the amount of the impairment loss decreases and the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date by adjusting the allowance account. The amount of the reversal is recognized in profit or loss. Subsequent recoveries of previously written off receivables, if in the current period, are credited to the allowance accounts, but if after the reporting period, are credited to other operating income.

ii. AFS financial assets

For available for sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. ‘Significant’ is evaluated against the original cost of the investment and ‘prolonged’ against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss - is removed from other comprehensive income and recognized in profit or loss. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognized directly in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Financial instruments (continued)

Impairment of financial assets (continued)

ii. AFS financial assets (continued)

The determination of what is "significant" or "prolonged" requires management judgment. The Group treats "significant" generally as 30% or more and "prolonged" as greater than 12 months for equity securities.

Derecognition

i. Financial assets

A financial asset, or where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- there is transfer of the asset or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the cash flows received in full without material delay to a third party under a "pass-through" arrangement, and either (a) the Group has transferred substantially all the risks and rewards over the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards over the asset, but has transferred the control over the asset.

When the Group has transferred its rights to receive cash flows from the asset or has entered into a "pass-through" arrangement, and has neither transferred nor retained substantially all the risks and rewards over the asset nor transferred the control over the asset, the Group recognizes its retained interest in the asset to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, including any new assets obtained less any new liabilities assumed, and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the consolidated statement of profit or loss and other comprehensive income.

On derecognition of a financial asset other than in its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Financial assets (continued)

Derecognition (continued)

ii. Financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's liabilities are discharged, cancelled or expired. The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

An exchange between the Group and its creditors with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

g. Restricted cash

Restricted cash on hand and in banks which will be used to pay currently maturing obligations are presented as "Restricted Cash" under the current assets section of the consolidated statement of financial position. Cash on hand and in banks which will be used to pay obligations maturing after one year from the end of the reporting period are presented as part of "Restricted Cash" under the non-current asset section of the consolidated statement of financial position.

h. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the "first-in, first-out" method. Net realizable value is the estimated selling price, less the estimated costs necessary to make the sale.

i. Advances and prepaid expenses

Advances pertain to payments made to ship managers and agents in relation to the operations of vessels. These advances are being liquidated on a monthly basis using the reports from the ship managers and agents.

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

j. Investments in associates and joint venture

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Investments in associates and joint venture (continued)

A joint venture is a type of joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in associates are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognizes the loss as "Share of profit of an associate and a joint venture" in the consolidated statement of profit or loss and other comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognized any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Fixed assets

Vessels

Owned vessels and leased vessels are stated at their revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment loss. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Vessels held under finance lease are depreciated over the same estimated economic useful lives with owned vessels. However, when there is no reasonable certainty that ownership of vessels will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Any revaluation increase arising on the revaluation of such vessels is credited to other comprehensive income net of deferred tax, as applicable, and accumulated in revaluation surplus in the equity, except to the extent that it reverses an impairment loss for the same vessel which was previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent that impairment loss was recognized for the asset in prior years. Any remaining increase, net of deferred tax, as applicable, would be recognized in revaluation surplus in equity. A decrease in carrying amount arising on the revaluation of such vessels is charged to profit or loss to the extent that it exceeds the balance, if any, held in the vessels' revaluation surplus relating to a previous revaluation of such vessels.

The Group elected the policy of eliminating the accumulated depreciation of revalued assets against the gross carrying amount of the assets and the net amount restated to the revalued amount of the assets.

Depreciation of revalued vessels is charged to profit or loss. As the vessels are used, a transfer is made from revaluation reserve to deficit equivalent to the difference between depreciation based on revalued carrying amount of the vessels and depreciation based on the vessels' historical cost. On subsequent sale or retirement of a revalued vessel, the remaining revaluation surplus attributable to the vessels sold or retired is transferred directly to deficit.

The vessels' residual values, estimated useful lives and depreciation method are reviewed at each reporting date, with the effect of any change in estimate accounted for prospectively.

The gain or loss on sale or retirement of vessels is determined as the difference between the sales proceeds and carrying amount of the vessel and is recognized in profit or loss.

Dry docking cost

Included in the balance of vessels are the dry docking costs which are capitalized when incurred and are amortized on a straight-line basis over the period until the date of the next dry docking.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Fixed assets (continued)

Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

The Group applies the cost model in subsequent recognition for other fixed assets. Other fixed assets are depreciated using straight-line method based on the following estimated useful lives:

	Years
Buildings and premises	20
Transportation equipment	5
Office furniture and fixtures	5
Office and dormitory equipment	5

Depreciation is recognized so as to allocate the cost of assets less their residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at each reporting date, with the effect of any change in estimate accounted for prospectively.

The costs of maintenance and repairs of other fixed assets are charged to operations as incurred. Other costs incurred subsequently to add, replace part of, or service an item of fixed assets, are recognized as asset if, and only if, it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably.

Construction in progress is stated at cost, and is transferred to the respective fixed assets account when completed and ready for its intended use.

An item of other fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss in the period the asset is derecognized.

l. Leases

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are initially recognized as leased assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is presented in the consolidated statement of financial position under “Obligations under finance lease” account.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Leases (continued)

The Group as lessee (continued)

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding balance. The corresponding rental obligations, net of finance charges, are included in non-current finance lease liabilities. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The fixed asset acquired under finance lease is depreciated over the shorter of the useful life of the asset and the lease term. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

m. Impairment of non-financial assets

The Group assesses at each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or its CGU's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the consolidated statement of profit or loss and other comprehensive income as "impairment losses".

In assessing the value in use (VIU), the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the assets. These calculations are corroborated by valuation multiples or other available fair value indicators.

A previously recognized impairment loss for an asset other than goodwill is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the consolidated statement of profit or loss and other comprehensive income. After such a reversal, the depreciation charge on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

In case of asset carried at a revalued amount, any remaining increase, net of deferred tax, as applicable, would be recognized in revaluation reserve in equity and is treated as a revaluation increase.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Post-employment benefits

The Company provides defined post-employment benefits to their employees in accordance with Indonesian Labor Law No. 13/2003. No funding has been made to this defined benefit plan.

Pension costs under the Company's defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions as in accordance with IAS 19 (Revised 2011).

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Company recognizes restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under employee benefits in the consolidated statement of profit or loss and other comprehensive income:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

o. Provision

Provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligations, the provisions are reversed and recognized in profit or loss.

p. Equity instrument

Financial liabilities and equity instruments of the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the fair value of the consideration received, net of direct issue costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Equity instrument (continued)

Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. The difference between the selling price and the acquisition cost is recognized as “Difference in capital from treasury share transactions” under additional paid-in capital in equity.

q. Revenue and expense recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Taxes (“VAT”). The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue and expense are recognized:

Revenues from freight operations

Revenues from freight operations are recognized as income with reference to the percentage of completion of the voyage as at reporting date.

Rental income

Time charter revenue is recognized on accrual basis over the terms of the time charter agreements. Voyage freight is recognized over the duration of each voyage.

Rendering of services

Revenues from agency services are recognized when the services are rendered to customers.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued based on outstanding principal using the effective interest rate method.

Expenses

Expenses are recognized in the period in which they are incurred. Interest expense is accrued based on outstanding principal plus unpaid interest, using the effective interest rate method.

r. Taxation

Income tax expense - net represents the sum or the net amount of the final income tax, current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Final income tax

Income tax subject to final tax is presented as part of the tax expense.

Tax expense on revenues from vessels subject to final tax is recognized proportionately based on the revenue recognized in the current year. The difference between the final income tax paid and the amount charged as final income tax in profit or loss is recognized as prepaid tax or tax payable. Prepaid final income tax is presented separately from final income tax payable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Taxation (continued)

Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income due to the taxable and deductible temporary differences and permanent differences. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period in the countries where the Group operates and generates income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Interest and penalties for the underpayment or overpayment of income tax, if any, are to be presented as part of "Income Tax Benefit (Expense)" in the consolidated statement of profit or loss and other comprehensive income.

The amounts of additional tax principal and penalty imposed through a tax assessment letter ("SKP") are recognized as income or expense in the current year in the consolidated statement of profit or loss and other comprehensive income, unless further settlement is submitted. The amounts of tax principal and penalty imposed through an SKP are deferred as long as they meet the asset recognition criteria.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Taxation (continued)

Deferred tax (continued)

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

s. Share capital

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

Where any company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effect, is included in equity attributable to the Company's equity holders.

t. Earnings/loss per share

Basic earnings/loss per share is computed by dividing income/loss for the year attributable to owners of the Company by the weighted average number of shares outstanding during the year, after considering treasury stock.

Diluted earnings/loss per share amounts are calculated by dividing the profit/loss attributable to ordinary equity holder of the parent by the weighted average number of ordinary shares outstanding during the year, after considering treasury stock plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Segment information

A segment is a distinguishable component of the Group that is engaged either in providing certain products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before intragroup balances and intragroup transactions are eliminated.

The segment information reported is the component of the Group whose operating results are regularly reviewed by the chief operating decision maker to make decisions about allocating resources to the segment and assessing its performance.

v. Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

w. Events after the financial reporting date

Subsequent events after the end of financial reporting date that provide additional information about the Group's position at reporting period (adjusting events) are reflected in the financial statements. Subsequent events after the end of financial reporting date that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

x. Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Group's accounting policies, which are described in Note 2 to the consolidated financial statements, the preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the carrying amounts of assets, liabilities and the reported amounts of revenues and expenses, and accompanying disclosures. The judgments, estimates and assumptions used by management are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Judgments

The following are the critical judgments, apart from those involving estimations that the management made in the process of applying the Group's accounting policies which have the significant effect on the amounts recognized in the consolidated financial statements.

Classification of financial instruments

The Group determines the classifications of certain asset and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in IAS 32. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Group's accounting policies disclosed in Note 2.

Classification of leases

The Group has several leases where as the Group acts as lessee in respect of vessels. The Group evaluates whether significant risks and rewards of ownership of the leased assets are transferred. The lease transactions are disclosed in Note 19.

Impairment of non-financial assets

Internal and external sources of information are reviewed at each reporting date to identify indications of impairment losses and to identify if previously recognized impairment loss on non-financial asset no longer exist or may be decreased.

If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds its recoverable amount. The Group assesses the impairment of an asset whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The factors that the Group considers upon assessment include, but not limited to, the significant under performance relative to expected historical or projected future operating results and significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of the asset's fair value less costs to sell or value in use. The recoverable amount is estimated for the individual asset or, if not possible, for the cash-generating unit to which the asset belongs.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

a. Judgments (continued)

Allowance for impairment losses on loans and receivables

The Group assesses its loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes judgment as to whether there is objective evidence that a loss event has occurred. The Group also evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Group uses judgment, based on 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 available data, to record specific provisions for customers against amounts due to reduce the receivable amounts that the Group expects to collect. Management also makes judgment as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss.

Estimate of provision for income taxes

The Group has exposure to income taxes in relation to the significant judgment to determine the provision for income taxes. The Group submits tax returns on the basis of self-assessment and recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. The tax authorities may assess or amend taxes within the statute of limitation under the prevailing regulations. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the current tax and deferred tax in the period in which such determination is made. The carrying amounts of the Group's prepaid tax and current tax liabilities are disclosed in Note 16.

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The management believes that the Group will be able to fulfill its obligations under the PKPU Amendment Plan, execute its strategies and manage its business and financial risks successfully. Accordingly, the consolidated financial statements continue to be prepared on the going concern basis.

Determination of functional currency

In determining the respective functional currencies of each of the entity in the Group, judgment is required to determine the currency that mainly influences sales prices for services and the country whose competitive forces and regulations mainly determine the sales prices of their services. The functional currencies of each entity 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. When the indicators are mixed and the functional currency is not obvious, management should use its judgment to determine the functional currency that faithfully represents the economic effects of the underlying transactions, events and conditions.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Valuation of vessels

Vessels are stated at fair value based on the valuation reviewed by management and supported by independent professional valuers. In determining fair value, a method of valuation is used which involves certain estimates, including comparisons with recent sale transactions of similar vessels.

Further information in relation to the valuation of vessels is disclosed in Note 13. Management believes that the chosen valuation techniques and assumptions used are appropriate in the determination of the fair value of vessels.

Determination of fair value of financial assets

The Group carries certain financial assets at fair value, which requires extensive use of accounting estimates and judgments. The significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, volatility rates). The amount of changes in fair value would differ if the Company utilized different valuation methodologies and assumptions. Any changes in the fair value of these financial assets and liabilities would directly affect profit and loss and other comprehensive income

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Estimate of realizability of deferred tax assets

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the projected taxable income in the following periods. This projection is based on the Company's past and future results of operations.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b. Estimates and assumptions (continued)

Estimate of provision for post-employment benefits

The determination of the Company's 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 Company's assumptions are recognized immediately in the profit or loss as and when they occurred. While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual experiences or significant changes in the Company's assumptions may materially affect its estimated liabilities for employee benefits and net employee benefits expense. All assumptions are reviewed at each reporting date.

Estimate of useful lives and residual values of fixed assets

The useful lives of the Group's fixed assets which are estimated as the period over which the asset is expected to be used are based on internal technical evaluation. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset.

The Group also reviews the residual values of vessels at the end of each reporting period. Significant judgment is required in determining the residual values of its vessels. The Group considers the net proceeds that would be obtained from the disposal of the assets in the resale or scrap markets, fluctuations in scrap steel prices and industry practice.

A change in the estimated useful life and residual value of any item of fixed asset would affect the recorded depreciation and amortization expense and the carrying value of such asset (Note 13).

Contingencies

The Group is currently involved in various restructuring initiatives, including legal proceedings (Note 39). An estimate of the probable costs associated with these initiatives has been developed based upon an understanding of the procedures involved and likely outcomes. However, any material deviation in the expected procedures or outcomes may potentially affect the operations of the Group. The Group does not believe that such legal proceedings are likely to have any significant or adverse effect on its consolidated financial statements.

4. GROUP STRUCTURE

The consolidated financial statements include the accounts of the Company and its subsidiaries. The Company has direct share ownership in Indigo Pacific Corporation, Diamond Pacific International Corporation and Asean Maritime Corporation, all of which are investment holding companies domiciled in foreign countries.

Details of the Group's structure, showing direct and indirect share ownership, are as follows:

No.	Company		Principal Activity	Domicile	Start of Commercial Operations	Percentage of Ownership (%) 2015	Total Assets Before Elimination 2015	Percentage of Ownership (%) 2014	Total Assets Before Elimination 2014
1	Indigo Pacific Corporation		Investment holding company	Labuan, Malaysia	December 24, 1997	100	668.775	100	1.932
1.1	Indigo Pacific Corporation		Investment holding company	British Virgin Islands	February 9, 1993	100	156.706	100	40.129
1.1.1	Melani Maritime Inc.	c)	Owner and operator of vessel	Panama	February 24, 1993	-	-	100	589
1.1.2	Zona Overseas International Shipping S.A.	b)	Owner and operator of vessel	Panama	June 24, 1997	100	67.541	100	84.481
1.1.3	Kunti Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	July 19, 2000	100	16.133	100	-
1.1.4	Jembawati Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	July 25, 2000	-	-	100	-
1.1.5	Tirtasari Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	November 24, 2001	-	-	100	14.708
1.1.6	Pergiwo Navigation Pte. Ltd.	c)	Owner and operator of vessel	Singapore	July 25, 2002	-	-	100	13.132
1.1.7	Fatmarini Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	August 14, 2002	100	-	100	15.964
1.1.8	Harsanadi Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	August 14, 2002	100	-	100	-
1.1.9	Hartati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	August 26, 2002	100	22	100	2.211
1.1.10	BLT Finance Corporation		Investment holding company	British Virgin Islands	October 24, 2005	100	263	100	-
1.1.11	Pujawati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	March 10, 2006	100	-	100	12.218
1.1.12	Pertiwi Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	March 10, 2006	100	-	100	15.664
1.1.13	Anggraini Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	April 5, 2006	-	-	100	-
1.1.14	Emerald Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	April12, 2006	100	14.355	100	15.784
1.1.15	BLT Finance B.V.		Investment holding company	The Netherlands	April 26, 2007	100	35	100	28.287
1.1.16	Tridonawati Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	June 6, 2007	100	52.643	100	-
1.1.17	Purbasari Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	June 6, 2007	100	23.491	100	26.487
1.1.18	Tridonawati Maritime Corporation	b)	Owner and operator of vessel	Liberia	June 21, 2007	100	-	100	-
1.1.19	Trirasa Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	June 6, 2007	-	-	100	-
1.1.20	Pramoni Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	April 16, 2008	100	9.870	100	25.511

4. GROUP STRUCTURE (continued)

No.	Company		Principal Activity	Domicile	Start of Commercial Operations	Percentage of Ownership (%) 2015	Total Assets Before Elimination 2015 US$'000	Percentage of Ownership (%) 2014	Total Assets Before Elimination 2014 US$'000
1.1.21	Fatmarini Shipping Pte. Ltd.	b)	Owner and operator of vessel	Singapore	October 12, 2008	100	-	100	-
1.1.22	Frabandari Shipping Pte. Ltd.	b)	Owner and operator of vessel	Singapore	October 12, 2008	100	-	100	1.512
1.1.23	Harsanadi Shipping Pte. Ltd.		Owner and operator of vessel	Singapore	October 12, 2008	100	18.355	100	18.295
1.1.24	Hartati Shipping Pte. Ltd.		Owner and operator of vessel	Singapore	October 12, 2008	100	13.144	100	13.591
1.1.25	Nogogini Shipping Pte. Ltd.		Owner and operator of vessel	Singapore	October 12, 2008	100	7.480	100	9.545
1.1.26	Nolowati Shipping Pte. Ltd.		Owner and operator of vessel	Singapore	October 12, 2008	100	7.861	100	8.623
1.1.27	Ratih Shipping Pte. Ltd.	c)	Owner and operator of vessel	Singapore	October 12, 2008	-	-	100	-
1.1.28	Universal Grace Ltd.	b)	Owner and operator of vessel	Hong Kong	September 24, 2010	100	-	100	-
1.1.29	BLT Maritime Corporation		Investment holding company	British Virgin Islands	April 8, 2011	100	10.511	100	11.649
1.1.29.1	Swank Ventures Ltd.	b)	Investment holding company	Marshall Islands	December 31, 2010	60	-	60	-
1.1.30	Rich King Ltd.	a)	Owner and operator of vessel	Hong Kong	July 18, 2011	100	-	100	-
2	Diamond Pacific International Corporation		Investment holding company	Labuan, Malaysia	November 24, 1997	100	23.153	100	42.862
2.1	Diamond Pacific International Corporation		Investment holding company	British Virgin Islands	February 9, 1993	100	115.327	100	76.847
2.1.1	Lenani Maritime Inc.	b)	Owner and operator of vessel	Panama	February 24, 1993	100	15.226	100	8.571
2.1.1.1	Ontari Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	July 25, 2000	100	-	100	6.172
2.1.2	Averina Maritime S.A.	c)	Shipping Agency	Panama	May 27, 1998	-	-	100	-
2.1.3	Gandari Navigation Pte. Ltd.	b)	Operator of vessel	Singapore	April 25, 2000	100	-	100	-
2.1.4	Cendanawati Navigation Pte. Ltd.	c)	Owner and operator of vessel	Singapore	July 25, 2002	-	-	100	8.827
2.1.5	Frabandari Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	August 14, 2002	60	-	60	21.841
2.1.6	Brotojoyo Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	August 25, 2002	100	13.074	100	-
2.1.7	Berlian Laju Tanker Pte. Ltd.		Operator of vessel	Singapore	July 3, 2003	100	112	100	-
2.1.8	Anjasmoro Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	March 17, 2004	100	-	100	36.191
2.1.9	Gas Lombok Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	March 20, 2008	-	-	100	-
2.1.10	Gas Sumbawa Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	June 12, 2008	-	-	100	22.292
2.1.11	Berlian Laju Tanker DMCC	c)	Shipping agency	Dubai	January 16, 2011	-	-	100	-
2.1.12	BLT Gas Corporation	b)	Operator of vessel	British Virgin Islands	January 25, 2013	100	-	100	-
2.2	BLT LNG Tangguh Corporation		Operator of vessel	Marshall Islands	July 8, 2005	100	40.958	100	9.415
3	Asean Maritime Corporation		Investment holding company	Labuan, Malaysia	September 16, 1997	100	301.298	100	9.943
3.1	Gold Bridge Shipping Corporation		Investment holding company	British Virgin Islands	November 20, 1996	100	33.996	100	13.115
3.1.2	Gold Bridge Shipping Ltd.		Shipping agency	Hong Kong	April 27, 1990	100	21.933	100	16.512
3.1.3	Great Tirta Shipping S.A.	c)	Owner and operator of vessel	Panama	June 23, 1997	-	-	100	-
3.1.3.1	Dewayani Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	September 6, 2001	-	-	100	-
3.1.4	Hopeway Marine Inc.		Owner and operator of vessel	Panama	November 22, 1984	100	5.022	100	5.734
3.1.5	Lestari International Shipping S.A.	c)	Owner and operator of vessel	Panama	June 23, 1997	-	-	100	5.024
3.1.5.1	Gandini Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	January 2, 2002	-	-	100	13.528
3.1.6	Quimera Maritime S.A.	b)	Owner and operator of vessel	Panama	December 3, 1993	100	745	100	-
3.1.7	South Eastern Overseas Navigation S.A.	b)	Owner and operator of vessel	Panama	May 26, 1994	100	-	100	-
3.1.8	Zenith Overseas Maritime S.A.	b)	Owner and operator of vessel	Panama	June 23, 1997	100	-	100	222
3.1.8.1	Gandari Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	September 1, 2001	100	5.360	100	244.855
3.1.9	Zona Shipping S.A.	c)	Owner and operator of vessel	Panama	June 23, 1997	-	-	100	4.279

4. GROUP STRUCTURE (continued)

No.	Company		Principal Activity	Domicile	Start of Commercial Operations	Percentage of Ownership (%) 2015	Total Assets Before Elimination 2015 US$'000	Percentage of Ownership (%) 2014	Total Assets Before Elimination 2014 US$'000
3.1.9.1	Dewi Sri Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	September 6, 2001	-	-	100	3.778
3.1.10	Eglantine Navigation S.A.	b)	Owner and operator of vessel	Panama	November 24, 1997	100	4.693	100	4.114
3.1.11	Wulansari Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	April 6, 2001	100	-	100	1.719
3.1.12	Yanaseni Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	April 18, 2001	-	-	100	3.858
3.1.13	Indradi Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	September 13, 2001	100	8.406	100	3.715
3.1.14	Gold Bridge Shipping Agencies S.A.		Shipping agency	Panama	September 26, 2001	100	-	100	-
3.1.15	Elite Bauhinia Navigation Pte. Ltd.		Owner and operator of vessel	Singapore	November 24, 2001	100	3.591	100	-
3.1.16	Cempaka Navigation Pte. Ltd.	b)	Owner and operator of vessel	Singapore	July 25, 2002	100	3.316	100	-
3.1.17	Dahlia Navigation Pte. Ltd.		Owner and operator of vessel	Singapore	July 25, 2002	100	3.638	100	-
3.1.18	Freesia Navigation S.A.		Owner and operator of vessel	Panama	November 15, 2002	100	8.780	100	9.401
3.1.19	Gerbera Navigation S.A.	b)	Owner and operator of vessel	Panama	November 29, 2002	100	3.874	100	16.687
3.1.20	Mustokoweni Maritime Pte Ltd.	c)	Owner and operator of vessel	Singapore	August 12, 2004	-	-	100	4.459
3.1.21	Ulupi Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	August 12, 2004	-	-	100	12.742
3.1.22	Erowati Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	August 12, 2004	100	3.241	100	-
3.1.23	Gas Papua Maritime Pte Ltd.		Owner and operator of vessel	Singapore	November 10, 2004	100	14.701	100	20.885
3.1.24	Rasawulan Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	October 8, 2004	100	-	100	-
3.1.25	Gas Sulawesi Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	November 10, 2004	100	12.538	100	-
3.1.26	Gagarmayang Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	October 8, 2004	100	156.900	100	32.998
3.1.27	Prita Dewi Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	November 10, 2004	100	5.358	100	19.671
3.1.28	Purwati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	November 10, 2004	100	-	100	138.294
3.1.29	Pradapa Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	January 8, 2005	100	-	100	-
3.1.30	Pergiwati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	January 8, 2005	100	64.006	100	39.687
3.1.31	Badraini Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	January 19, 2005	-	-	100	21.808
3.1.32	Barunawati Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	January 19, 2005	-	-	100	-
3.1.33	Gas Maluku Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	April 8, 2005	-	-	100	3.239
3.1.34	Barawati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	April 22, 2005	100	-	100	-
3.1.35	Gas Bali Maritime Pte. Ltd.	c)	Owner and operator of vessel	Singapore	July 6, 2005	-	-	100	7.248
3.1.36	Eustoma Navigation S.A.	b)	Owner and operator of vessel	Panama	August 12, 2005	100	13.494	100	13.497
3.1.37	Puspawati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	September 26, 2005	100	31.159	100	33.659
3.1.38	Diamond Flow Ltd.	b)	Investment holding company	Hong Kong	January 18, 2007	100	-	100	-
3.1.39	Hyacinth Navigation S.A	b)	Owner and operator of vessel	Panama	June 5, 2008	100	-	100	-
3.1.40	Iris Maritime International S.A		Owner and operator of vessel	Panama	June 5, 2008	100	24.564	100	-
3.1.41	Gerbera Navigation Pte. Ltd.	b)	Owner and operator of vessel	Singapore	February 1, 2011	100	-	100	-
3.1.42	BLT International Corporation		Investment holding company	Hong Kong	October 22, 2009	100	97.864	100	97.956
3.1.43	Amber Pacific Corporation		Investment holding company	British Virgin Islands	December 15, 2015	100	-	-	-
3.2	BLT Chembulk Corporation		Investment holding company	British Virgin Islands	October 5, 2007	100	-	100	5.239
3.2.1	Chembulk Tankers LLC		Investment holding company	Marshall Islands	January 9, 2007	100	49.071	100	17.856
3.2.1.1	Chembulk Trading II LLC	d)	Owner and operator of vessel	Marshall Islands	January 9, 2007	-	-	100	487.572
3.2.1.2	Chembulk Management LLC		Ship management	United States of America	January 9, 2007	100	71.120	100	-
3.2.1.3	Chembulk Management Pte. Ltd.		Ship management	Singapore	March 29, 2007	100	1.076	100	1.495
3.2.1.4	CBL Tankers Do Brasil Ltda.		Ship management	Brazil	September 16, 2008	97,5	25	97,5	-
3.2.1.5	BLT Chembulk Group Europe A/S		Ship management	Denmark	February 10, 2011	100	109	100	-

4. GROUP STRUCTURE (continued)

No.	Company	Principal Activity	Domicile	Start of Commercial Operations	Percentage of Ownership (%) 2015	Total Assets Before Elimination 2015 US$'000	Percentage of Ownership (%) 2014	Total Assets Before Elimination 2014 US$'000
3.2.1.6	BLT Chembulk Group Corporation	b) Operator of vessel	British Virgin Islands	December 2, 2010	100	2.079	100	1.497
3.2.2	Chembulk Barcelona Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	25.259	100	27.108
3.2.3	Chembulk Gibraltar Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	14.771	100	15.702
3.2.4	Chembulk Hong Kong Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	22.935	100	24.642
3.2.5	Chembulk Houston Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	12.940	100	13.139
3.2.6	Chembulk Kobe Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	15.889	100	16.630
3.2.7	Chembulk New York Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	20.244	100	20.675
3.2.8	Chembulk Savannah Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	18.579	100	19.188
3.2.9	Chembulk Shanghai Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	14.392	100	14.052
3.2.10	Chembulk Ulsan Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	17.816	100	19.217
3.2.11	Chembulk Virgin Gorda Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	26.315	100	27.692
3.2.12	Chembulk Yokohama Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	17.998	100	18.316
3.2.13	Chembulk New Orleans Pte. Ltd.	Owner and operator of vessel	Singapore	June 22, 2008	100	23.579	100	24.783
4	PT Brotojoyo Maritime	Owner and operator of vessel	Indonesia	January 20, 2003	100	10	100	-
5	BLT - Borrelli International Holdings Pte. Ltd.	Investment holding company	Singapore	September 18, 2013	100	-	100	-
6	BLT Buana Holdings Pte. Ltd.	Investment holding company	Singapore	February 27, 2014	100	-	100	-
7	Nevaeh Limited	Investment holding company	Hong Kong	January 18, 2007	51	-	51	265
8	Teekay BLT Corporation	Investment holding company	Marshall Islands	June 29, 2005	30	398.278	30	405.416
9	Thai Petra Transport Co Ltd.	Shipping Agency	Thailand	July 21, 2000	30	643	30	1.027
10	PT Berlian Limatama	Owner and operator of vessel	Indonesia	June 24, 1996	50	372	50	480

a) Such subsidiaries are all inactive since the dates of their incorporation.
b) Such subsidiaries are considered dormant and have no operations in 2015 and 2014.
c) Such subsidiaries were closed/sold in 2015 for insignificant considerations.
d) Such subsidiary was transferred to creditor in exchange for extinguishment of debt (Notes 17, 40 and 45).

4. GROUP STRUCTURE (continued)

Boards of Commissioners and Directors, Audit Committee and employees

The Company's management consisted of the following:

		2015	2014
Board of Commissioners			
President Commissioner	:	Hadi Surya	Hadi Surya
Commissioner	:	Safzen Noerdin	Safzen Noerdin
Independent Commissioner	:	Antonius Joenoes Supit	Antonius Joenoes Supit
Board of Directors			
President Director	:	Siana Anggraeni Surya	Siana Anggraeni Surya
Directors	:	Cosimo Borrelli	Cosimo Borrelli
	:	Jason Aleksander Kardachi	Jason Aleksander Kardachi
Independent Director	:	Anthony Budiawan*)	Rodion Wikanto Njotowidjojo
Audit Committee			
Chairman	:	Antonius Joenoes Supit	Anthony Budiawan
Members	:	Timotius	Rodion Wikanto Njotowidjojo
		Denny Susilo	

*) Anthony Budiawan has been appointed as an Independent Director of the Company starting November 23, 2015.

The Group had a total number of 47 and 136 employees (unaudited) as of December 31, 2015 and 2014, respectively.

5. CASH ON HAND AND IN BANKS

	2015	2014
	US$'000	US$'000
Cash on hand	240	95
Cash in banks:		
Rupiah:		
Deutsche Bank	48	47
PT Bank Ina Perdana Tbk	21	24
PT Bank Mandiri (Persero) Tbk	2	2
Citibank	1	8
Others	1	2
U.S. dollars:		
Deutsche Bank	8,619	4,974
Bank of China	745	-
ING Bank	286	550
Citibank	173	652
PT Bank Central Asia Tbk	54	-
PT Bank Mandiri (Persero) Tbk	52	259
DNB Bank ASA, Singapore	6	9,858
Bank Mizuho	5	3
HSBC	1	468
Nordea Bank Finland PLC	-	4,308
Cambridge	-	2,046
PT Bank Mega Tbk	-	26
Others	-	313
Other currencies	60	310
TOTAL	**10,314**	**23,945**

Interest income earned from cash on hand and in banks for the years ended December 31, 2015 and 2014 amounted to US$ 5 thousand and US$ 10 thousand, respectively.

In relation to the transfer of share capital of Chembulk trading II LLC (CB2), cash on hand and in banks amounting to US$ 5.8 million were derecognized in 2015 (Notes 17 and 45).

All cash in banks are placed in third-party banks.

Under the Restructuring Plan, the Group is required to maintain a minimum cash buffer of US$ 25.0 million before any repayments can be made to the secured and unsecured creditors (Note 17).

Pursuant to the Restructuring Plan, a cashflow waterfall will be implemented on a quarterly basis commencing April 1, 2013 in accordance with the cash waterfall principles. In 2014, the Group did not achieve a minimum working capital balance of US$ 25.0 million, excluding restricted cash, and hence, did not make any repayment to its creditors in accordance with the cash waterfall principles.

In early of 2015, the Group forecasted cash flow short fall leading to inability of Group to make principal and interest payments due starting June 2015. This resulted to amendment of Restructuring Plan (Note 40). Since the approval of amendment of Restructuring Plan, the cash waterfall principle is no longer relevant.

6. RESTRICTED CASH

Restricted cash represents security placed in ING Bank in relation to the standby letter of credit facility (SBLC) agreement (Notes 17 and 40). On November 30, 2015, the SBLC facility, restricted cash posted as cash collateral and all liens on the Gas Bangka were fully discharged. On December 17, 2015, the restricted cash has been liquidated to the Group's account.

7. TRADE ACCOUNTS RECEIVABLE

	2015 US$'000	2014 US$'000
By debtor		
Third parties:		
Owned and chartered vessels	4,845	23,339
Allowance for impairment loss	(2,438)	(5,685)
Net	**2,407**	**17,654**
By currency		
U.S. dollar	3,491	22,072
Euro	1,218	1,257
Rupiah	131	-
Singapore dollar	5	5
Other currencies	-	5
Sub-total	**4,845**	**23,339**
Allowance for impairment loss	(2,438)	(5,685)
Net	**2,407**	**17,654**

There were no trade accounts receivables from a single customer that represent more than 5.0% of the total trade accounts receivable.

The aging schedule of the trade accounts receivable as of December 31, 2015 and 2014 is as follows:

	2015 US$'000	2014 US$'000
Neither past due nor impaired	113	9,535
Overdue:		
1 - 60 days	1,058	3,135
61 - 120 days	214	1,912
121 - 180 days	79	1,045
More than 180 days	3,381	7,712
Sub-total	**4,845**	**23,339**
Allowance for impairment losses	(2,438)	(5,685)
Net	**2,407**	**17,654**

7. TRADE ACCOUNTS RECEIVABLE (continued)

The allowance for impairment of trade accounts receivable is based on management's specific identification of uncollectible accounts. There was no allowance for impairment of receivables based on management's collective assessment of uncollectible accounts. The movement of the allowance for impairment of trade accounts receivable is as follows:

	2015	2014
	US$'000	US$'000
Beginning balance	5,685	9,981
Impairment (recovery of impairment) of receivables (Note 33)	85	2,761
Receivables written off	(3,332)	(7,057)
Ending balance	**2,438**	**5,685**

In relation to the transfer of share capital of CB2, trade accounts receivable amounting to US$ 11.2 million were derecognized in 2015 (Notes 17 and 45).

Based on a review of the status of the individual trade receivables at the end of the year, the Group's management believes that the above allowance for impairment of trade accounts receivable is sufficient to cover the losses that may arise from uncollectible trade accounts receivable in the future.

8. OTHER RECEIVABLES - THIRD PARTIES

The other receivables - third parties as of December 31, 2015 mainly came from preferred redeemable equity interest amounting to US$ 5.0 million.

Pursuant to the PKPU Amendment Plan, as consideration to the Group for the transfer of CB2 shares, vessels and other designated assets transferred pursuant to the Singapore schemes, the consensual foreclosure and consummation of the designated accounts enforcement, the Group received from Mandated Lead Arrangers ("MLA") preferred redeemable equity interest in NewCo amounting to US$ 10.0 million which will be redeemed by NewCo over a five (5) year period in equal annual installment equal to one-fifth of the total amount.

Newco is the newly formed entity whose equity interests are held by the MLA Lenders and their affiliates in proportion to their participation in the MLA Facility Agreement at the time of closing.

On December 23, 2015, the Group purchased a vessel using the purchase option agreement included in the MLA Restructuring. Accordingly, the preferred equity interest of the Group was partially used as payment for the purchase of vessel (Note 13).

On March 29, 2016, the Group purchased another two vessels using the purchase option agreement which thereafter, the preferred redeemable equity interest has been fully utilized (Note 46).

9. INVENTORIES

Inventories mainly consist of bunker fuel which is carried at cost. Fuel consumption is recognized as part of voyage expenses. Inventories charged to voyage expenses amounted to US$ 49.2 million and US$ 94.4 million in 2015 and 2014, respectively (Note 31).

In relation to the transfer of share capital of CB2, inventories amounting to US$ 4.5 million were derecognized in 2015 (Notes 17 and 45).

10. DERIVATIVE FINANCIAL ASSET

Pursuant to the PKPU Amendment Plan, MLA Lenders shall issue NewCo warrants to purchase up to 10% of equity in NewCo which are subject to dilution by a market-based management incentive program and any future issuance of equity securities (Notes 17 and 40). The warrants are exercisable in whole or in part over a period of five years.

The management calculated the fair value of warrants using the Black-Scholes model. Based on management's valuation, the fair value of warrants amounted to US$ 23.4 million.

The key assumptions used by management in determining the fair value of warrants are as follows:

	2015
Multiplier EV/EBITDA *)	14.82
Discount on lack of marketability	30%
Exercise price of warrant	US$ 42.30 million
Period of warrants's expiration	4.92 years
Risk-free rate	1.76%
Standard deviation of log returns	2.89%

**) Enterprise Value/Earnings Before Interest, Taxes, Depreciation and Amortization*

Had the multiplier increased or decreased by 0.50, with all other variables held constant, the fair value of warrants would have increased or decreased by US$ 2.4 million as of December 31, 2015.

11. AFS FINANCIAL ASSETS

	2015	2014
	US$'000	US$'000
Swank Ventures Limited (SVL)	10,511	11,648
Nevaeh Limited (NL)	7,548	9,811
Total	**18,059**	**21,459**

The Group's investments in SVL and NL are unquoted equity shares and accounted for at cost. The Group considers the investment in SVL as part of the surplus assets of the Group. Pursuant to the Restructuring Plan, surplus assets of the Group will have to be sold within 3 to 6 years from the date of the Restructuring Plan (Note 40).

a. SVL

The Group's investment in SVL was previously classified as non-current asset classified as held-for-sale due to management's plan and commitment to sell the asset. Pursuant to the Restructuring Plan, the investment was reclassified to AFS (non-current assets) since it no longer qualifies as non-current asset classified as held-for-sale due to the change in the expected timing of disposal, which is within 3 to 6 years from the date of the Restructuring Plan.

11. AFS FINANCIAL ASSETS (continued)

a. SVL (continued)

SVL is incorporated in British Virgin Islands and has a warrants agreement with PT Umine Energy Indonesia (Umine) to exercise 179,611 shares or equal to 15.23% of Umine shares. Umine is a group of coal companies in Indonesia. This warrants agreement may be exercised on or after the Initial Public Offering (IPO) of PT UCoal Sumberdaya (Ucoal), a subsidiary of Umine, and will expire on February 21, 2017.

On November 28, 2014, SVL entered into an amended and restated warrants agreement with Umine that revised the warrants to be exercisable on or after the IPO of UCoal or February 21, 2019, whichever date is earlier.

In 2015 and 2014, management identified indicators of impairment related to the SVL investment due to the prolonged economic downturn in the mining industry. Management performed valuation based on the discounted cash flow of the investment. Based on the results of the valuation, the investment was reduced to US$ 10.5 million and US$ 11.6 million as of December 31, 2015 and 2014, respectively, resulting in impairment of US$ 1.1 million and US$ 17.4 million recognized in profit or loss in 2015 and 2014, respectively (Note 35).

The management estimated that the discount rates using pre-tax rates reflect current market assessments of the time value of money and the risks specific to the cash-generating unit. The key assumptions used for recoverable amount calculation as of December 31, 2015 and 2014 are as follows:

	Coal mining	Mining services
2015:		
Growth rate after 5 years	0.29% - 3.0%	0% - 3.0%
Post tax discount rate (for fair value calculation)	17.82% - 19.50%	17.79% - 19.50%
2014:		
Growth rate after 5 years	(0.85)% - 6.4%	0% - 8.0%
Post tax discount rate (for fair value calculation)	16.77% - 18.72%	17.05% - 18.72%

A quantitative sensitivity analysis for significant assumptions as of December 31, 2015 and 2014 are as follows:

	Discount Rate		Price	
	1% increase	1% decrease	1% increase	1% decrease
	US$	US$	US$	US$
Valuation of investment in SVL				
2015	9.6 million	11.4 million	10.7 million	10.3 million
2014	10.7 million	12.5 million	11.9 million	11.4 million

b. NL

In 2009, Asean Maritime (AMC), a subsidiary, acquired 100.0% share ownership in NL, another holding company. This acquisition gave the Company an indirect percentage ownership of 45.0% and 21.8% in Brilliant Hero Industrial Limited (BHIL) and Jiangsu Xinrong Shipyard Company Limited (JXSCL), respectively. BHIL is an investment holding company while JXSCL is engaged in ship repair, conversion and construction of steel structure.

11. AFS FINANCIAL ASSETS (continued)

b. NL (continued)

On November 1, 2010, AMC sold 49.0% of its ownership in NL to Mitsui & Co. Ltd., a third party. Although AMC has 51.0% ownership in NL after the sale of investment in shares in NL, management assessed that AMC does not have control over the financial decisions nor is it involved in the daily operations of NL, thus, NL is not consolidated in the financial statements. Further, NL is unable to exercise significant influence over BHIL. Therefore, NL classified its investments in BHIL as AFS financial assets since 2010.

JXSCL, which is the main asset of NL through share ownership in BHIL, suffered recurring losses that indicated impairment loss in AFS financial assets of NL.

The Group noted indication of impairment on its available-for-sale investment in NL in 2015. The Group performed valuation based on management valuation. Based on the results of the valuation, the investment was reduced to US$ 7.5 million as of December 31, 2015, resulting in impairment loss of US$ 2.3 million recognized in profit or loss (Note 35).

In 2014, the Group performed an independent valuation of JXSCL and ascertained that there is no further impairment of its investment in JXSCL.

Pursuant to the PKPU Amendment Plan, the economic benefits from the investment in NL will be distributed, on a pro rata basis, to unsecured creditors.

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

The following entities have been included in the consolidated financial statements using the equity method:

	Domicile and Operation	Nature of Business	Percentage of voting rights held (%)	
			2015	2014
Associates:				
Thai Petra Transport Co. Ltd.	Thailand	Port service (agency)	30	30
PT Berlian Limatama	Indonesia	Cargo shipping service (sea cargo service)	50	50
Joint venture:				
Teekay BLT Corporation	Marshall Islands and Indonesia	Cargo shipping service (sea cargo service)	30	30

The changes in the investments in associates and joint venture under the equity method are as follows:

	2015	2014
	US$'000	US$'000
Beginning balance	2,607	24,876
Share in profit for the year	6,968	3,850
Dividends received	(1,500)	(26,119)
Ending balance	**8,075**	**2,607**

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (continued)

Summarized financial information of the Group's associates and joint venture is as follows:

	2015			
	Teekay BLT Corporation	Thai Petra Trans. Co. Ltd.	PT Berlian Limatama	Total
	US$'000	US$'000	US$'000	US$'000
Current assets	22,568	311	360	23,239
Non-current assets	375,710	332	12	376,054
Current liabilities	(52,753)	(175)	(82)	(53,010)
Non-current liabilities	(319,501)	(58)	-	(319,559)
Net assets	26,024	410	290	26,724
Group's share in net assets of associates/joint venture	**7,807**	**123**	**145**	**8,075**
Revenues	45,433	104	14	45,551
Operating expenses	(13,786)	(31)	(21)	(13,838)
Gross profit	31,647	73	(7)	31,713
Administrative expenses	(1,797)	(116)	(51)	(1,964)
Finance cost	-	(4)	-	(4)
Other income (loss) - net	(4,806)	(212)	28	(4,990)
Profit (loss) before tax	25,044	(259)	(30)	24,755
Tax expense	(1,507)	-	-	(1,507)
Profit (loss) for the year	23,537	(259)	(30)	23,248
Group's share in profit (loss) of associates/joint venture	**7,061**	**(78)**	**(15)**	**6,968**

	2014			
	Teekay BLT Corporation	Thai Petra Trans. Co. Ltd.	PT Berlian Limatama	Total
	US$'000	US$'000	US$'000	US$'000
Current assets	23,832	673	456	24,961
Non-current assets	381,584	354	24	381,962
Current liabilities	(84,612)	(252)	(119)	(84,983)
Non-current liabilities	(313,385)	(67)	(24)	(313,476)
Net assets	7,419	708	337	8,464
Group's share in net assets of associates/joint venture	**2.226**	**212**	**169**	**2.607**
Revenues	46,041	100	251	46,392
Operating expenses	(16,108)	(33)	(96)	(16,237)
Gross profit	29,933	67	155	30,155
Administrative expenses	(1,847)	(122)	(85)	(2,054)
Finance cost	-	(4)	-	(4)
Other income (loss) - net	(14,431)	15	(131)	(14,547)
Profit (loss) before tax	13,655	(44)	(61)	13,550
Tax expense	(672)	-	(3)	(675)
Profit (loss) for the year	12,983	(44)	(64)	12,875
Group's share in profit (loss) of associates/joint venture	**3.895**	**(13)**	**(32)**	**3,850**

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (continued)

Teekay BLT Corporation is a joint venture formed in 2005 through the shareholders agreement signed by the Group and Teekay Corporation, the investment in which is accounted for using the equity method. The joint venture was formed to charter the vessels in a consortium project among various international companies related to the extraction of gas reserves from Tangguh gas fields in Papua, Indonesia. The Company holds 30% equity interest in Teekay BLT Corporation through its indirect subsidiary, BLT LNG Tangguh Corporation (BLT LNG).

In connection with the joint venture, Teekay Corporation made a loan facility to the Company secured by a second priority pledge agreement over the shares of BLT LNG, which holds the Group's investment in the joint venture (Note 17). Teekay BLT Corporation also made unsecured loans to the Group (Note 17).

Due to the Group's financial position in 2011, the Company defaulted on its payment obligation under the loan facility in November 2011. Teekay Corporation issued a notice of demand and declared the full amount of the loan immediately due and payable. The Board of Directors of Teekay Corporation subsequently took steps to enforce its security over the loan facility by replacing the officers of BLT LNG with its nominees and commencing proceedings in the Commercial Court of England against the Company (Debt Proceedings).

In 2014, Teekay BLT Corporation declared dividends of which BLT LNG Tangguh's portion amounted to US$ 26.1 million. The dividend was used to pay a portion of the loan plus interest to Teekay BLT Corporation amounting US$ 14.4 million and repayment towards the loan to Teekay Corporation amounting to US$ 11.7 million (Note 17).

In 2015, BLT LNG Tangguh received dividends from Teekay BLT Corporation, of which US$ 0.8 million was used to pay the loan to Teekay Corporation (Note 17).

13. FIXED ASSETS

	2015						
	Beginning Balance	Additions	Deductions	Deconsolidation	Transfers	Revaluations	Ending Balance
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost/Valuation:							
Owned vessels	400,413	8,947	(387,839)	-	(1,317)	8,391	28,595
Leased vessels	188,792	-	-	(188,792)	-	-	-
Transportation equipment	513	-	(209)	-	-	-	304
Office furniture and fixtures	838	13	(343)	-	-	-	508
Office and dormitory equipment	2,727	528	(1,159)	-	-	-	2,096
Buildings and premises	1,426	-	(651)	-	-	-	775
Total	594,709	9,488	(390,201)	(188,792)	(1,317)	8,391	32,278
Accumulated depreciation and impairment loss:							
Owned vessels	-	27,100	(25,783)	-	(1,317)	-	-
Leased vessels	-	9,629	-	(9,629)	-	-	-
Transportation equipment	479	21	(209)	-	-	-	291
Office furniture and fixtures	803	34	(331)	-	-	-	506
Office and dormitory equipment	2,309	169	(614)	-	-	-	1,864
Buildings and premises	738	98	(488)	-	-	-	348
Total	4,329	37,051	(27,425)	(9,629)	(1,317)	-	3,009
Net Book Value	**590,380**						**29,269**

13. FIXED ASSETS (continued)

	2014					
	Beginning Balance	Additions	Deductions	Transfers	Revaluations	Ending Balance
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost/valuation:						
Owned vessels	442,233	9,661	(8,522)	(30,565)	(12,394)	400,413
Leased vessels	199,296	-	-	(10,504)	-	188,792
Transportation equipment	642	22	(151)	-	-	513
Office furniture and fixtures	746	92	-	-	-	838
Office and dormitory equipment	3,415	-	(688)	-	-	2,727
Buildings and premises	1,300	126	-	-	-	1,426
Total	647,632	9,901	(9,361)	(41,069)	(12,394)	594,709
Accumulated depreciation and impairment loss:						
Owned vessels	-	31,316	(751)	(30,565)	-	-
Leased vessels	-	10,504	-	(10,504)	-	-
Transportation equipment	596	34	(151)	-	-	479
Office furniture and fixtures	654	149	-	-	-	803
Office and dormitory equipment	2,814	52	(557)	-	-	2,309
Buildings and premises	635	103	-	-	-	738
Total	4,699	42,158	(1,459)	(41,069)	-	4,329
Net Book Value	**642,933**					**590,380**

Depreciation expense was allocated as follows:

	2015	2014
	US$'000	US$'000
Vessel depreciation	36,729	41,820
Administrative expenses (Note 33)	322	338
Total	**37,051**	**42,158**

All disposals of fixed assets are made with third parties. Loss on disposal of fixed assets during the year is as follows:

	2015	2014
	US$'000	US$'000
Cost	2,362	9,361
Accumulated depreciation	(1,642)	(1,459)
Net book value	720	7,902
Net considerations received	17	6,510
Loss on disposal of fixed assets (Note 35)	**703**	**1,392**

In relation to the transfer of share capital of CB2, the net carrying value of fixed assets derecognized amounted to US$ 179.2 million in 2015 (Notes 17 and 45).

Deductions to fixed assets in 2015 include vessels transferred to MLA as part of settlement of MLA loan. The carrying value of those vessels amounted to US$ 387.8 million.

13. FIXED ASSETS (continued)

Deductions to fixed assets in 2014 include derecognition of fixed assets due to vessel sold in consideration for the payment of loans amounting to US$ 6.4 million (Note 17a).

As of December 31, 2015, the vessels are stated at their revalued amounts using market approach, based on their fair values in the valuation report dated March 30, 2016 prepared by an independent appraiser and reviewed by management. The appraisal report was issued by KJPP Budi, Edy, Saptono & Rekan using market data or sales comparison approach method in determining the revaluated amounts. The vessels' revalued amounts had increased by US$ 8.4 million, of which US$ 2.2 million was recorded as reversal of impairment credited to profit or loss (Note 35) and US$ 6.2 million was credited to revaluation reserve (Note 28a).

In 2014, management determines that there are no significant changes in fair values of vessels, except for certain vessels with impairment. Accordingly, management had not made changes in the revaluation of vessels other than depreciation and impairment.

For the years ended December 31, 2014, the Group specifically identified certain vessels with indications of impairment. The vessels' recoverable amount is considered to be its fair value amount because management believes that the value in use of vessels approximates the appraised value of vessels. Impairment value for these vessels amounted to US$ 12.4 million, of which US$ 2.8 million was recorded as the reduction of revaluation reserves balance (Note 28a) and US$ 9.6 million was charged to 2014 profit or loss (Note 35).

Transfers pertaining to accumulated depreciation as at revaluation date were eliminated against the gross carrying amount of the revalued vessels. Had the Group's vessels been measured on historical cost, the carrying value (cost less accumulated depreciation and impairment loss) would have been US$ 22.6 million and US$ 577.6 million as of December 31, 2015 and 2014, respectively. Changes in the revaluation reserves are disclosed in Note 28a.

Additions to vessels and equipment in 2015 and 2014 pertain to capitalized dry docking expenses and repurchased vessel using the purchase option agreement (Note 8).

The carrying values of vessels held under finance leases as of December 31, 2015 and 2014 amounted to nil and US$ 188.8 million, respectively.

The outstanding balance of the finance lease liability as of December 31, 2015 and 2014 amounted to nil and US$ 181.0 million, respectively (Note 19).

The redelivery of leased vessels in 2014 was part of the fleet restructuring by the Group to reduce vessels and establish an optimum fleet size to maximize profitability.

The Group's fleet consists of 5 owned vessels in 2015 and 31 owned vessels and 8 leased vessels in 2014. There were no vessels under construction as of December 31, 2015 and 2014.

The Group's vessels and equipment were insured for hull and machinery damages and war risk, Increased Value and Additional Owners Interest (I.V. & A.O.I) for US$ 71.0 million and US$ 726.8 million in 2015 and 2014, with LCH Insurance (S) Pte. Ltd. The Group's vessels were also insured against losses of third parties arising from vessel operations such as environmental pollution caused by accidents (Protection and Indemnity or P&I). Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

MT Gas Indonesia, MT Gas Kalimantan and MT Indradi are collateralized to various liabilities of the Group (Note 17).

14. TRADE ACCOUNTS PAYABLE

	2015	2014
	US$'000	US$'000
By creditor		
Related parties (Note 38)		
Thai Petra Transport Co. Ltd.	150	221
PT Arpeni Pratama Ocean Line	38	-
PT Garuda Mahakam Pratama	26	18
Others	96	725
Sub-total	310	964
Third parties		
Suppliers	9,095	22,365
Shipping agents	605	7,024
Sub-total	9,700	29,389
Total	**10,010**	**30,353**
By currency		
U.S. dollar	7,529	27,453
Singapore dollar	622	512
Rupiah	151	103
Yen	24	133
Other currencies	1,684	2,152
Total	**10,010**	**30,353**

The accounts payable represent liabilities to shipping companies as agents, to sub-agents and to suppliers for purchases of fuel and spare parts, and vessel equipment.

Pursuant to PKPU Amendment Plan, trade creditors will retain 50% of their outstanding debt balance and will be paid over a period of five years (Note 40). Total gain on restructuring recognized by the Group amounted to US$ 6.4 million.

In relation to the transfer of share capital of CB2, trade accounts payable amounting to US$ 5.4 million were deconsolidated in 2015 (Notes 17 and 45).

All trade accounts payable are non-interest bearing and unsecured.

15. ACCRUED EXPENSES

	2015	2014
	US$'000	US$'000
Interest (Note 40)	5,500	-
Vessels operation and dry docking	1,117	12,929
Others	1,661	5,255
Total	**8,278**	**18,184**

In relation to the transfer of share capital of CB2, accrued expenses amounting to US$ 7.6 million were deconsolidated in 2015 (Notes 17 and 45).

16. TAXATION

Details of taxes payable are as follows:

	2015	2014
	US$'000	US$'000
Corporate income tax:		
The Company	-	-
Subsidiaries	-	-
Final income tax payable:		
Article 4(2)	12	13
Income taxes:		
Article 21	105	47
Article 23	6	76
Article 26	-	1,195
Value Added Tax - net		
Others	82	15
Total	**205**	**1,346**

Details of income tax benefit are as follows:

	2015	2014
	US$'000	US$'000
Deferred income tax:		
The Company	16,751	80
Subsidiaries	(312)	385
Final income tax:		
The Company	(72)	(71)
Subsidiaries	(1)	(1)
Current tax - subsidiaries	-	(1)
Income tax benefit - net	**16,366**	**392**

Final income tax

The breakdown of final income tax on revenues related to charter and operation of vessels of the Company is as follows:

	2015	2014
	US$'000	US$'000
Final income tax		
The Company	72	71
Subsidiaries	1	1
Payments during the year	(73)	(72)
Final income tax payable	-	-

16. TAXATION (continued)

Current tax

The Company's computation of tax on revenues not subject to final income tax is as follows:

	2015 US$'000	2014 US$'000
Income (loss) before income tax per consolidated statement of pofit or loss and other comprehensive income	170,853	(40,434)
Income before income tax of subsidiaries	(167,123)	(187,015)
Reversal of intercompany eliminating entries during consolidation	-	7,074
Income (loss) before income tax of the Company	**3,730**	**(220,375)**
Temporary differences:		
Difference in fair value of financial liabilities	30,084	(28,862)
Depreciation of fixed assets	417	1,858
Employee benefits	(28)	(950)
Permanent differences:		
Non-deductible income (expenses)	(37,555)	227,603
Income net of related expense already subjected to final tax	6,717	9,523
Interest income subjected to final tax	(1)	(1)
Gain on sale of fixed assets	-	(283)
Others	(1,024)	28,291
Taxable income of the Company	**2,340**	**16,804**
Uncompensated prior year tax losses:		
2013	(3,869)	(3,869)
2012	(31,384)	(31,384)
2011	(17,035)	(33,839)
Accumulated tax losses	**(49,948)**	**(52,288)**
Prepayment of tax:		
The Company (recorded as part of prepaid tax)	(4)	(34)
Subsidiaries	-	-
Total	**(4)**	**(34)**

The Company completed its calculation of 2013 income tax in 2014, and recorded the 2013 additional taxable income amounting to US$ 28.3 million to the 2014 taxable income.

In addition, the Company also decided to record the correction on the overstatement of 2013 deferred tax liabilities amounting to US$ 7.1 million to the 2014 consolidated statement of profit or loss and other comprehensive income. Therefore, in 2014, the Company had overstated deferred tax benefit which cause the understatement of consolidated net loss by US$ 7.1 million. Had the Company recorded such amount in 2013, as of December 31, 2013, the Group's deferred tax liabilities and deficit would have been decreased, and the net income for the year ended December 31, 2013 would have been increased by US$ 7.1 million.

16. TAXATION (continued)

Current tax (continued)

Had the Company accounted such amount in 2013, the Company would have reported tax loss amounting to US$ 11.5 million for the year ended December 31, 2014 and taxable income amounting to US$ 24.4 million for the year ended December 31, 2013.

The estimated taxable income tax (loss) from the above reconciliation is the basis for the Company's 2014 Annual Corporate Income Tax Returns.

The Company has not yet reported its 2015 annual tax return (SPT) to the Tax Office. As of the date of this report the Company has not yet finalized its 2015 corporate income tax computation.

The above amount and disclosure are based on tentative calculations made by the Group.

Deferred tax

The details and movements of the Group's deferred tax assets (liabilities) are as follows:

Deferred tax asset - Subsidiary

	January 1, 2015	Credited (charged) to profit or loss	Credited (charged) to OCI	Adjustment to deferred tax	December 31, 2015
	US$'000	US$'000	US$'000	US$'000	US$'000
Fixed assets	(37)	37	-	-	-
Tax loss carry-forward	349	(349)	-	-	-
Net	**312**	**(312)**	**-**	**-**	**-**

	January 1, 2014	Credited (charged) to profit or loss	Credited (charged) to OCI	Adjustment to deferred tax	December 31, 2014
	US$'000	US$'000	US$'000	US$'000	US$'000
Fixed assets	-	36	-	(73)	(37)
Tax loss carry-forward	-	349	-	-	349
Net	**-**	**385**	**-**	**(73)**	**312**

Deferred tax liabilities - the Company

	January 1, 2015	Credited (charged) to profit or loss	Credited (charged) to OCI	Adjustment to deferred tax	December 31, 2015
	US$'000	US$'000	US$'000	US$'000	US$'000
Fixed assets	(138)	104	(500)	-	(534)
Provision for post-employment benefits	370	(7)	(56)	-	307
Difference in fair value of financial liabilities	(17,063)	7,521	-	9,133	(409)
Net	**(16,831)**	**7,618**	**(556)**	**9,133**	**(636)**

16. TAXATION (continued)

Deferred tax (continued)

Deferred tax liabilities - the Company (continued)

	January 1, 2014	Credited (charged) to profit or loss	Credited (charged) to OCI	Adjustment to deferred tax	December 31, 2014
	US$'000	US$'000	US$'000	US$'000	US$'000
Fixed assets	(985)	465	382	-	(138)
Provision for post-employment benefits	641	(239)	(32)	-	370
Difference in fair value of financial liabilities	(16,915)	(7,215)	-	7,067	(17,063)
Net	**(17,259)**	**(6,989)**	**350**	**7,067**	**(16,831)**

Deferred tax assets are recognized in the consolidated financial statements if sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. The Group has unrecognized deferred tax assets for the following accounts:

	2015	2014
	US$'000	US$'000
Tax losses carry-forward	19,304	21,138
Impairment of vessels	-	150
Allowance for impairment loss of trade accounts receivable	-	1,030
Total	**19,304**	**22,318**

The tax losses carried-forward can be utilized against the taxable income for a period of five years subsequent to the year the tax loss was incurred. The Group has unrecognized deferred tax asset on tax losses carry-forward amounting to US$ 19.3 million and US$ 21.1 million as of December 31, 2015 and 2014, respectively, since the Group does not have sufficient basis to determine the future tax benefit on such deferred tax asset.

Reconciliation between the income tax benefit and the amount computed by applying the effective tax rate to the income (loss) before tax is as follows:

	2015	2014
	US$'000	US$'000
Income (loss) before tax per consolidated statement of profit or loss and other comprehensive income	170,853	(40,434)
Income tax benefit (expense) at prevailing tax rate (25%)	**(42,713)**	**10,109**
Effects of:		
Income before income tax of subsidiaries and elimination	41,780	44,987
Adjustment to deferred tax	9,133	7,067
Non-deductible expenses and non-taxable income - net	7,966	(66,284)
Deferred tax of foreign subsidiaries	(312)	384
Unrecognized deferred tax from tax losses carry-forward	585	4,202
Final income tax	(73)	(72)
Current tax of foreign subsidiaries	-	(1)
Income tax benefit - net	**16,366**	**392**

17. LOANS PAYABLE

	2015	2014
	US$'000	US$'000
Bank loans:		
PT Bank Mandiri (Persero) Tbk	12,248	16,280
PT Bank Central Asia Tbk	4,401	4,785
Mandated Lead Arrangers (MLA)	-	588,433
PT Bank Mizuho Indonesia	-	12,666
Clio Marine Inc./Mitsui Bank	-	9,142
Dialease Maritime S.A./Mitsubishi UFJ Lease & Finance Co. Ltd.	-	6,204
Termination of derivatives:		
Deutsche Bank	-	45,459
JP Morgan	-	17,072
Barclays Capital	-	14,117
HSBC	-	1,692
PT Bank DBS Indonesia	-	1,544
Related party loans:		
PT Bagusnusa Samudra Gemilang (Note 38)	1,726	8,271
Teekay Corporation	661	1,791
Others:		
Amicorp Trustees (Singapore) Limited	12,322	-
Total	**31,358**	**727,456**
Current	2,124	70,126
Non-current	29,234	657,330
Total	**31,358**	**727,456**

(i) Bank loans

Following the events of default, the bank loan creditors of the Group submitted their respective claims under the PKPU. Pursuant to the Restructuring Plan, the bank loan creditors fall under the class of secured creditors.

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured bank loans using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The respective restructured terms of the bank loan creditors under the Restructuring Plan are binding and set out as follows (Note 40):

17. LOANS PAYABLE (continued)

(i) Bank loans (continued)

a. PT Bank Mandiri (Persero) Tbk ("Mandiri")

- Principal of Rp 249.0 billion.
- Forgive all outstanding and unpaid interest prior to July 1, 2012.
- Principal amortization over a repayment period commencing from April 1, 2013 to the 10th anniversary of the Restructuring Plan, the maturity date of any loan extended by any unsecured creditor (apart from the trade creditors), or March 31, 2023, whichever is the earliest to occur ("Maturity Date") with equal quarterly installments commencing in Year 3 with the first installment starting on June 30, 2015.
- Interest (3-month JIBOR + 7.5 %) capitalized from July 1, 2012 until March 31, 2014, then quarterly cash payments from June 30, 2014, provided that there is sufficient cash in Year 2 to (i) build up the US$ 25.0 million minimum cash buffer; (ii) pay cash interest on the Working Capital Facility; (iii) pay principal on the Working Capital Facility, and if any of these conditions are not met for any quarter in year 2, such payments of interest in year 2 will be capitalized and added to principal pursuant to the cash waterfall principles set out in the Restructuring Plan.
- The rights of Mandiri to call an event of default in respect of this Plan are as follows: If Mandiri still holds security over any vessel owned or operated by the Company, an event of default can be called for non-payment of principal and interest after Year 2; or If Mandiri no longer holds security over any vessel owned or operated by BLT, an event of default can be called for non payment of interest and principal after Year 4.
- Accelerated repayment from cash sweep.
- The Company and BULL agreed that they will sell 6 vessels which are secured to Mandiri at a sales price agreed and acceptable to Mandiri, provided that Mandiri gives reasonable notice in providing its request and that the sale of the vessels is conducted at an arm's length commercial transaction and that the sales price is at the vessels' market value. In particular, BULL will provide Mandiri with a written agreement within 3 months from the date the Restructuring Plan was ratified by the Jakarta Court that it will agree to sell the vessels secured to Mandiri.
- 90.0% of the sales price of the two vessels shall be paid to Mandiri and 95.0% of the sales price of the remaining four vessels referred to above will be applied to reduce the outstanding principal due to Mandiri.
- In the event that the vessels are sold, the proceeds of such sale will be used to offset/pay the last principal installment (i.e., first payment for amortization in Year 10 followed by Year 9 and thereafter) that is due to Mandiri and the maturity date of the amortized principal payments to Mandiri will be reduced accordingly.
- The Restructuring Plan shall not compromise any rights that Mandiri has with respect of the security in all secured vessels and the Company shall not object or hinder any attempts by Mandiri to sell these vessels, whether pursuant to its security or otherwise. The Company and BULL shall not object to any request by Mandiri to sell a vessel and will not object or hinder Mandiri's attempts to enforce or sell these vessels.

17. LOANS PAYABLE (continued)

(i) Bank loans (continued)

a. PT Bank Mandiri (Persero) Tbk ("Mandiri") (continued)

In 2014, the Company sold three vessels secured to Mandiri. The total proceeds from the sale of these 3 vessels amounted to US$ 6.4 million which was applied towards the prepayment of Mandiri loan in accordance with the Restructuring Plan (Notes 13 and 40).

Pursuant to PKPU Amendment Plan and letter from Mandiri dated September 30, 2015, the terms of credit facility with Mandiri are amended as follows:

- Outstanding principal is Rp 111.9 billion and capitalized interest from July 1, 2012 up to March 31, 2015 is Rp 79.4 billion.
- Outstanding principal amortization over a repayment period, commencing from June 30, 2017 to September 30, 2021, with 18 equal quarterly installments with the first installment starting on June 30, 2017.
- Interest from April 1, 2015 shall be calculated based on an interest rate of 3-month JIBOR + 0.5% per annum based on 365 days per annum and shall be paid quarterly starting from June 30, 2015.
- The sale of MT Kunti ("Kunti Sale") will be completed by April 1, 2016 or on a later date to be agreed by Mandiri with value of Rp 7.0 billion. Net proceeds from the Kunti Sale will be used to repay the last principal installment due.
- Any quarterly payments to be made in each year will be made on the last business day of each quarter of such year. All payments to be made will be made free of any rights to off-set, deduct or withhold.
- No accelerated repayment from cash sweep.

The carrying value of the restructured loan from Mandiri as of December 31, 2015 and 2014 amounted to US$ 12.2 million and US$ 16.3 million, respectively. The annual effective interest rates of the loan are 8.5% and 15.6% in 2015 and 2014, respectively.

The Company recognized gain on restructuring amounting to US$ 1.1 million in 2015.

b. PT Bank Central Asia Tbk ("BCA")

- Principal of Rp 44.4 billion equivalent to US$ 4.7 million.
- Forgive all outstanding and unpaid interest prior to July 1, 2012.
- Principal amortization over a repayment period commencing from April 1, 2013 to the maturity date which is (i) the 10th anniversary from the date the Restructuring Plan is ratified by the Jakarta Court, (ii) the earliest maturity date of any loan extended by any unsecured creditor (apart from trade creditors), or (iii) March 31, 2017, whichever is the earliest to occur with 32 equal quarterly installments commencing the 3rd year with the first installment starting June 30, 2015.

17. LOANS PAYABLE (continued)

(i) Bank loans (continued)

c. PT Bank Central Asia Tbk ("BCA")

- Interest (JIBOR + 5.25 %) capitalized from July 1, 2012 until March 31, 2014, then quarterly cash payments from June 30, 2014, provided that there is sufficient cash in Year 2 to (i) build up the US$ 25.0 million minimum cash buffer, (ii) pay cash interest on the Working Capital Facility, (iii) pay principal on the Working Capital Facility, and if any of these conditions is not met for any quarter in Year 2, such payments of interest in Year 2 will be capitalized and added to principal pursuant to the cash waterfall principles set out in the Restructuring Plan.

- The rights of BCA to call an event of default in respect of the Restructuring Plan are as follows: if BCA still holds security over any vessel owned or operated by the Company, an event of default can be called for non-payment of principal and interest after Year 2; or If BCA no longer holds security over any vessel owned or operated by the Company, an event of default can be called for non-payment of interest and principal after Year 4.

- Accelerated repayment from cash sweep.

- The Company agrees that it will sell the secured vessels by mutual consent of BCA at a sales price agreed and acceptable to BCA, provided that BCA gives reasonable notice in providing its request and that the sale of a vessel is conducted as an arm's length commercial transaction and the sales price is at the vessel's market value.

- Payment to BCA of 95.0% of the sales price of 2 vessels will be applied to reduce outstanding principal due to BCA.

- In the event that the vessel(s) are sold, the proceeds of such sale(s) will be used to offset/pay the last principal installment that is due to BCA and the maturity date of the amortized principal payments to BCA will be reduced accordingly.

- This Restructuring Plan shall not compromise any rights that BCA has in respect of the security in all secured vessel(s) and the Company shall not object or hinder any attempts by BCA to sell these vessel(s), whether pursuant to its security or otherwise.

In 2014, the Group had finalized an agreement with BCA to fix the amount of loan into US$ currency and all other terms pursuant to the Restructuring Plan.

Pursuant to PKPU Amendment Plan in 2015, the terms of credit facility with BCA are amended as follows:

- If there is remaining cash in the Earnings Account (after the payment of interest, taxes and other costs that may be incurred outside the Principal Amount), the remaining cash can be used for amortization of the outstanding principal amount which will be paid on every interest payment date effective from the date of approval of the PKPU Amendment Plan until March 31, 2017;

- Repayment of the principal amount shall be paid by way of 32 equal quarterly installments with the first installment commencing on June 30, 2017;

17. LOANS PAYABLE (continued)

(i) Bank loans (continued)

b. PT Bank Central Asia Tbk (continued)

- Where there is insufficient cash to pay a quarterly installment of principal amount, with the written consent of BCA, the Company may add the amount of that installment to the next quarterly installment.

- No accelerated repayment from cash sweep.

As of December 31, 2015 and 2014, the carrying amount of the loan from BCA amounted to US$ 4.4 million and US$ 4.8 million, respectively. The annual effective interest rate of the loan is 6.0% in 2015 and 2014.

c. MLA

- Principal of US$ 562.9 million including the original principal amount of US$ 550.3 million plus capitalized interest up to and including March 31, 2013, amounting to US$ 12.6 million.

- Working Capital Facility of US$ 19.4 million to be repaid pursuant to the cash waterfall principles set out in the Restructuring Plan. This Working Capital Facility is not capable of being redrawn, and subject to interest (LIBOR + 3.15%) per annum, payable in arrears from June 30, 2013 out of excess cash above the minimum cash buffer of US$ 25 million (Notes 5 and 40).

- Forgive all outstanding and unpaid interest prior to July 1, 2012.

- Amortization over a repayment period commencing from April 1, 2013 to the 10th anniversary of the Restructuring Plan, the maturity date of any loan extended by any unsecured creditor (apart from the trade creditors), or March 31, 2023, whichever is the earliest to occur (“Maturity Date”) with equal quarterly installments commencing in Year 3.

- Interest (LIBOR + 3.15%) on the portion that does not comprise Working Capital Facility to be capitalized from July 1, 2012 until March 31, 2015 if there is insufficient excess cash above the minimum cash buffer of US$ 25.0 million to service interest pursuant to the cash waterfall principles set out in the Restructuring Plan, thereafter quarterly cash payments (in arrears) from June 30, 2015.

- Accelerated repayment from cash sweep or sale of the requested security.

- Provision of the requested security (Chembulk/Coal Mine/shares in BULL (other than shares already pledged to other creditors or transferred to the US$ Bondholders pursuant to this Plan)/Teekay /BULL SPV Security/Teekay SPV Security) for the Working Capital Facility. Such requested security (other than the shares in Chembulk) shall be released by the MLA Lenders for necessary fund raisings subject to approval by the MLA Lenders and (i) the full repayment of the Working Capital Facility and (ii) the cash buffer being maintained.

- Provision of the BULL-Teekay SPV Security which will secure (i) the Working Capital Facility in Years 1 and 2 and (ii) up to US$ 17.2 million of the aggregate of the principal due to the MLA Lenders and the US$ Bondholders, and the interest payments to the MLA Lenders and the US$ Bondholders in Years 3 and 4.

17. LOANS PAYABLE (continued)

(i) Bank loans (continued)

c. MLA (continued)

- In the event that the BULL-Teekay SPV Security or any part thereof is realized in Years 3 or 4, the cumulative proceeds of any such realizations shall be shared as follows: First, in satisfaction of the costs and expenses of enforcement; Second, in satisfaction of all amounts due under the Working Capital Facility; Third, in satisfaction of amounts due to the US$ Bondholders and the MLA Lenders on a 50:50 basis so that each dollar of proceeds received shall be paid, as to 50% thereof, to or for the account at the US$ Bondholders and, as to 50%, to or for the account of the MLA Lenders, subject to a maximum amount of US$ 8.6 million each; and Fourth, any balance of proceeds of enforcement in excess of US$ 17.2 million shall be subject to the cash waterfall principles set out in the Restructuring Plan.

- Enforcement of the BULL-Teekay SPV Security to satisfy payments of interest to the MLA Lenders and/or the US$ Bondholders in Years 3 and 4 shall not cause an event of default under the Restructuring Plan, nor shall an event of default occur if the proceeds of realization of the BULL-Teekay SPV Security, after application thereof towards repayment of the secured indebtedness, are sufficient to cover any such interest payments due and owing.

- Inter-creditor or subordination agreement to be signed between the MLA Lenders and the US$ Bondholders to govern their respective priorities and obligations in respect of the BULL-Teekay SPV Security in the manner set out in the preceding provisions.

- The Company and the MLA Lenders may agree by mutual consent to sell any of the secured vessels.

In 2013, the Group drawn down US$ 10.0 million from the US$ 19.4 million Working Capital Facility and has sold some vessels amounting to US$ 5.8 million for which the proceeds from these transactions were used as part of the payment for interest due on the MLA Loan (Note 40).

On March 30, 2015, the Group paid its Working Capital Facility loans from MLA lenders which amounted to US$ 10.0 million plus accrued interest of US$ 0.6 million.

Between February and August 2014, the former MLA group of bank lenders, namely DNB Bank ASA Singapore, BNP Paribas, ING Bank N.V, NIBC Bank Ltd., Nordea Bank Finland Plc., Standard Chartered Bank, Skandinaviska Enskilda Banken AB (publ) sold all their loan facilities provided to the Group to certain private equity funds. The new MLA Lenders consist mainly of York Global Finance BDH. LLC., Spruce Investors Limited and Silver Oak Capital, LLC as majority lenders and 5 other private equity funds (individually <5%) as minority lenders.

On April 22, 2015, the Company entered into:

a. a binding term sheet which includes the principal terms of a further restructuring ("MLA Restructuring") of the Company and certain of its subsidiaries (collectively, the "Group"); and

17. LOANS PAYABLE (continued)

(i) Bank loans (continued)

c. MLA (continued)

b. restructuring support agreement ("RSA") with, among others:

i. DNB Bank ASA, Singapore Branch (as agent);
ii. MLA Lenders holding at least 66.6% of the participation of the outstanding facility claims under the senior secured credit facilities agreement dated February 18, 2011 (as most recently amended and restated pursuant to the third amendment agreement dated October 8, 2014, and as may be further amended from time to time);
iii. Gold Bridge Shipping Corporation, as borrower under the MLA Facility Agreement;
iv. direct and indirect subsidiaries of the Company (collectively, with the Borrower, the "Company Parties");
v. Hadi Surya, Siana Surya, PT Tunggaladhi Baskara and Meadowstream Limited (the "Surya Parties");

Pursuant to which, among other things, the Company Parties have agreed to complete the Restructuring.

Pursuant to the MLA Restructuring, the Group agreed to transfer to NewCo the 27 vessels (together with all insurance and other proceeds, earnings and amounts), all of the share capital of CB2 and the account balances in bank accounts pledged in favor of the MLA Lenders (collectively, "MLA Assets"), in return for release of all debts outstanding under the MLA Facility.

If both MLA Closing and PKPU Amendment Plan approval occurs on or before September 30, 2015 then, subject to compliance with the terms of the RSA and Term Sheet, the Company will receive the key considerations as follows:

i. Release of any claim or lien against the coal mine warrants, Buana Security, Buana SPV Security and Teekay JV Security;
ii. Warrants from NewCo to purchase up to 10% of equity in NewCo ("NewCo Warrants"). The NewCo Warrants are subject to dilution by a market-based management incentive program and any future issuance of equity securities by NewCo (Note 10);
iii. Preferred redeemable equity interests in NewCo amounting to US$ 10.0 million ("NewCo Preferred Equity Interest") (Note 8);
iv. Release of US$ 9.2 million cash collateral and Gas Bangka which are posted as security under an existing Standby Letter of Credit Facility (Note 6);
v. Cash refund of up to 50% fees and expenses incurred by the MLA Lenders, and paid by the Group, in respect of this Proposed Restructuring;
vi. Forgiveness of the MLA Deficiency Claims;
vii. Mutual releases by and between the Group and the MLA Lenders ("Mutual Releases").

17. LOANS PAYABLE (continued)

(i) Bank loans (continued)

c. MLA (continued)

On November 30, 2015, the Group and MLA signed an Amendment to RSA to extend the MLA Closing deadline from September 30, 2015 to December 3, 2015.

On December 1, 2015, the Group has completed the MLA Restructuring, and the Group recognized a gain on extinguishment of debt amounting of US$ 233.0 million.

The carrying value of the restructured loan from MLA Loan as of December 31, 2015 and 2014 amounted to nil and US$ 588.4 million, respectively, including the US$ 10.0 million drawn from the Working Capital Facility. In 2014, the annual effective interest rates for MLA loan and Working Capital Facility were 3.37% and 3.40%, respectively.

d. PT Bank Mizuho Indonesia ("Mizuho")

- Principal of US$ 13.7 million.
- Forgive all outstanding and unpaid interest prior to July 1, 2012.
- Principal amortization over a repayment period commencing from April 1, 2013 to the maturity date which is (i) the 10th anniversary from the date the Restructuring Plan is ratified by the Jakarta Court, (ii) the earliest maturity date of any loan extended by any unsecured creditor (apart from trade creditors), or (iii) March 31, 2023, whichever is the earliest to occur with 32 equal quarterly installments commencing the 3rd year with the first installment starting on June 30, 2015.
- Interest (LIBOR + 1.5 %) will be capitalized from July 1, 2012 until March 31, 2014, then quarterly cash payments from June 30, 2014, provided that there is sufficient cash in Year 2 to (i) build up the US$ 25.0 million minimum cash buffer, (ii) pay cash interest on the Working Capital Facility, (iii) pay principal on the Working Capital Facility, and if any of these conditions is not met for any quarter in Year 2, such payments of interest in Year 2 will be capitalized and added to principal pursuant to the cash waterfall principles set out in the Restructuring Plan.
- The rights of Mizuho to call an event of default in respect of this Restructuring Plan are as follows: if Mizuho still holds security over any vessel owned or operated by the Company, an event of default can be called for non-payment of principal and interest after Year 2; or if Mizuho no longer holds security over any vessel owned or operated by the Company, an event of default can be called for non-payment of principal and interest after Year 4.
- Accelerated repayment from cash sweep.
- The Company agrees that it will sell the vessel which is secured to Mizuho with mutual consent of Mizuho at a sales price agreed and acceptable to Mizuho, provided that Mizuho gives reasonable notice in providing its request and that the sale of a vessel is conducted at an arm's length commercial transaction and that the sales price is at the vessel's market value.

17. LOANS PAYABLE (continued)

(i) Bank loans (continued)

d. PT Bank Mizuho Indonesia ("Mizuho") (continued)

- In the event that the vessel is sold, the proceeds of such sale will be used to offset/pay the last principal installment that is due to Mizuho and the due date of the amortized principal payments owed to Mizuho will be reduced accordingly.

- This Restructuring Plan shall not compromise any rights that Mizuho has in respect of the security in all secured vessel(s) and the Company shall not object or hinder any attempts by Mizuho to sell these vessel(s), whether pursuant to its security or otherwise.

Pursuant to PKPU Amendment Plan in 2015, the terms of credit facility with Mizuho are amended as follows:

- If there is remaining cash in the Earnings Account (after the payment of interest, taxes and other costs that may be incurred outside the Principal Amount), the remaining cash can be used for amortization of the outstanding principal amount which will be paid on every interest payment date effective from the date of approval of the PKPU Amendment Plan until March 31, 2017;

- Repayment of the principal amount shall be paid by way of 32 equal quarterly installments with the first installment commencing on June 30, 2017;

- Where there is insufficient cash to pay a quarterly installment of principal amount, with the written consent of Mizuho, the Company may add the amount of that installment to the next quarterly installment.

- No accelerated repayment from cash sweep.

The Company recognized gain on restructuring amounting to US$ 0,1 million in 2015.

Pursuant to Notice of Assignment dated December 23, 2015, Mizuho's right and interest to receive payments were assigned and transferred to Amicorp Trustees (Singapore) Limited ("Amicorp") (Note 17 iv).

The carrying amount of the restructured loan from Mizuho as of December 31, 2015 and 2014 amounted to nil and US$ 12.7 million, respectively. In 2014, the annual effective interest rate of the loan was 4.79%.

e. Clio Marine Inc./Mitsui Bank ("CMI")

- Principal of JPY 3.3 billion or equivalent to US$ 41.2 million.

- Forgive all outstanding and unpaid interest prior to July 1, 2012.

- Amortization over a repayment period commencing from April 1, 2013 to the 10th anniversary of the Restructuring Plan, the maturity date of any loan extended by any unsecured creditor (apart from the trade creditors), or March 31, 2023, whichever is the earliest to occur ("Maturity Date") with equal quarterly installments commencing in Year 3.

17. LOANS PAYABLE (continued)

(i) Bank loans (continued)

e. Clio Marine Inc./Mitsui Bank ("CMI") (continued)

- Interest (LIBOR + 4.0%) capitalized from July 1, 2012 until March 31, 2013, then quarterly cash payments from June 30, 2013, unless payments of interest are capitalized pursuant to the cash waterfall principles set out in the Restructuring Plan.

- Repayment of principal is to be structured as a sale of secured vessel to CMI (US$ 25.9 million) and time charter back of the vessel to Chembulk Trading II LLC.

- Obligations under the loan agreement will be novated to BLT Chembulk Corp.

- The Company shall guarantee the obligations of BLT Chembulk Corp. and Chembulk Trading II LLC.

- Accelerated repayment from cash sweep.

Pursuant to the Restructuring Plan, the loan was restructured as a repayment of principal in consideration of the sale of the subsidiary's vessel for US$ 25.9 million. The vessel is leased back to CB2, which was accounted for as a finance lease. The remaining obligations under the loan agreement amounting to US$ 12.1 million were novated to BLT Chembulk Corp.

As a condition precedent to MLA Closing, the Group and CB2 shall be released from all obligations with respect to Pacific Endeavor Vessel under the existing charter party, lease settlement agreement, loan and other agreements in relation to such vessel. Pursuant to Termination Agreement on November 30, 2015, the lender agreed to forgive the outstanding principal and interest.

Pursuant to Termination Agreement on November 30, 2015, the lender agreed to forgive the outstanding principal and interest.

The carrying value of the restructured loan from CMI as of December 31, 2015 and 2014 amounted to nil and US$ 9.1 million, respectively. The annual effective interest rate of the loan was 4.12% in 2014.

f. Dialease Maritime S.A./Mitsubishi UFJ Lease & Finance Co. Ltd.

- Dialease Maritime shall be treated as a secured creditor for purposes set out in the Restructuring Plan.

- Principal of US$ 15.1 million or the remaining amount (if any) after the transfer of secured vessels.

- Secured vessel to be transferred to a transferee on terms agreed with Dialease Maritime, with such transfer to occur at the port of Kaohsiung, ROC or other ports as directed by Dialease Maritime no later than April 15, 2013.

- Forgive all outstanding and unpaid interest prior to July 1, 2012.

- Amortization by bullet payment on March 31, 2023.

17. LOANS PAYABLE (continued)

(i) Bank loans (continued)

f. Dialease Maritime S.A./Mitsubishi UFJ Lease & Finance Co. Ltd. (continued)

- Interest (LIBOR + 2.0 %) capitalized from July 1, 2012 until March 31, 2013, then quarterly cash payments (in arrears) from June 30, 2013, unless payments of interest are capitalized pursuant to the cash waterfall principles set out in the Restructuring Plan.

- Accelerated repayment from cash sweep.

- New equity of the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

In 2013, the Group sold its secured vessel related to the loan from Dialease Maritime for US$ 16.0 million in consideration for the payment of a portion of the loan. Subsequent to the sale of the vessel, Dialease Maritime was then treated an unsecured creditor.

The Restructured terms under the Restructuring Plan for Dialease Maritime are further amended by the PKPU Amendment Plan (Note 40). Pursuant to the PKPU Amendment Plan, the restructured terms which bind Dialease Maritime are that it shall no longer be entitled to payment of principal or interest from the Company as a guarantor under the facility agreement, but is instead entitled to receive:

- Shares in the Company arising from debt to equity swap for the principal debt and its portion of a 2% transfer of the total shares held by Surya family (after both the Proposed Debt-Equity Swap Share Issuance and the conversion of mandatory convertible security (MCS) to be issued by the Company to PT Elang Megah Inti), distributed on a pro-rata basis among the Unsecured Creditors.

- A pro rata interest in Buana and Nevaeh, through a structure which will deliver the economic benefit of those assets to all unsecured creditors who are Plan Creditors under the PKPU Amendment Plan.

- Waiver of all interest capitalized under the 2013 Restructuring Plan.

As of December 31, 2015, the outstanding amount of the principal debt was converted into 63,534,070 shares of the Company.

Total gain from debt to equity swap transaction related to this loan amounted to US$ 0.7 million in 2015.

In 2015, the Group had written off the value of equity assigned to the unsecured creditors pursuant to the 2013 Restructuring Plan (Note 40).

The carrying value of the restructured loan from Dialease Maritime amounted to nil and US$ 6.2 million as of December 31, 2015 and 2014, respectively. In 2014, the annual effective interest rate of the loan was 2.15%.

17. LOANS PAYABLE (continued)

(ii) Termination of derivatives

The Group had entered into cross currency swaps and interest rate swaps in prior years. In 2012, the Group received early termination notices for all outstanding cross currency swap and interest rate swap transactions due to debt standstill. The termination claims on the Group's cross currency swap were from JP Morgan, Barclays Capital, HSBC and PT Bank DBS Indonesia while the termination claim from the Group's interest rate swap was from Deutsche Bank.

Following the events of early termination of contracts, the counter-parties of the Group to derivative transactions submitted their respective claims under the PKPU. Pursuant to the Restructuring Plan, such liabilities arising from the termination of the derivative transactions fall under the class of unsecured creditors.

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured derivative claims using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for the derivative creditors are binding and set out as follows (Note 40):

- Total claims of US$ 98.5 million.
- Amortization by bullet payment on March 31, 2023.
- Interest rate of 1.0% in Years 1 to 4, 2.0% in Years 5 to 8, 3.0% in Years 9 to 10, with quarterly cash payment (in arrears) from June 30, 2015 subject to the provisions under the cash waterfall principles set out in the Restucturing Plan.
- Accelerated repayment from cash sweep.
- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

Pursuant to the Restructuring Plan, the Group classified the restructured claims from termination of derivative transactions under non-current liabilities in 2014.

One of the Group's liabilities from derivative transactions was secured by 14.7% interest in investment in BULL. In November 2013, this creditor exercised its rights and took over the ownership of the shares.

The restructured terms under the Restructuring Plan for the parties entered into cross currency swaps and interest rate swaps with the Group are further amended by the PKPU Amendment Plan (Note 40). Pursuant to the PKPU Amendment Plan, the restructured terms which bind the parties entered into cross currency swaps and interest rate swaps with the Group are that they shall no longer be entitled to payment of principal or interest from the Company as a guarantor under the facility agreement, but is instead entitled to receive:

- Shares in the Company arising from debt to equity swap for the principal debt and its portion of a 2% transfer of the total shares held by Surya family (after both the Proposed Debt-Equity Swap Share Issuance and MCS Conversion), distributed on a pro rata basis among the Unsecured Creditors;

17. LOANS PAYABLE (continued)

(ii) Termination of derivatives (continued)

- A pro rata interest in Buana and Nevaeh, through a structure which will deliver the economic benefit of those assets to all unsecured creditors who are Plan Creditors under the PKPU Amendment Plan.

- Waiver of all interest capitalized under the 2013 Restructuring Plan.

As of December 31, 2015, the outstanding amount of the principal debt was converted into a total of 1,111,874,087 shares in the Company.

Total loss from debt to equity swap transaction related to these derivative claims amounted to US$ 14.6 million.

The carrying value of the restructured loans arising from termination of derivative transactions as of December 31, 2015 and 2014, amounted to nil and US$ 79.9 million, respectively. In 2014, the annual effective interest rate for liabilities arising from termination of derivative transactions was 4.85%.

In 2015, the Group had written off the value of equity assigned to the unsecured creditors under the 2013 Restructuring Plan.

(iii) Related party loans

a. PT Bagusnusa Samudra Gemilang

The loan from Bagusnusa was restructured in accordance with the provisions of the Restructuring Plan for intercompany claims.

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured related party loan using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for intercompany creditors are binding and set out as follows (Note 40):

- Total claims of US$ 13.7 million.

- No payments or satisfaction will be made until all existing secured and unsecured creditors are repaid in full.

- No voting rights in the PKPU or otherwise assert or make any claims upon the Group.

Pursuant to the Restructuring Plan, the Group classified its liabilities to Bagusnusa under noncurrent liabilities in 2014.

17. LOANS PAYABLE (continued)

(iii) Related party loans (continued)

a. PT Bagusnusa Samudra Gemilang (continued)

Pursuant to Restructuring Amendment Plan, no payments will be made to Bagusnusa until (i) all existing secured creditors are repaid in full, (ii) the aggregate value of the PKPU shareholders (including their successors and nominees) (based on a 3 month weighted average share price) exceeds the total outstanding claims of US$ 1.1 billion, and (iii) the Group's payable to BULL has been paid.

Based on management's discounted forecasted cash flow analysis, using compound annual growth rate of 20.86% and discount rate of 12.28%, the Company will only be able to settle its loan from Bagusnusa by Year 2070. Consequently, the difference between the nominal amount of the loan and its fair value amounting to US$ 7.9 million is presented under Other Capital Reserves.

The carrying value of the restructured loan from Bagusnusa as of December 31, 2015 and 2014 amounted to US$ 1.7 million and US$ 8.3 million, respectively (Note 38). In 2015 and 2014, the annual effective interest rate of the loan is 3.14%.

The Company recognized loss on restructuring amounting to US$ 2.6 million.

b. Teekay BLT Corporation and Teekay Corporation

On February 1, 2014, the Company along with Diamond Pacific International Corporation (DPIC), BLT LNG Tangguh Corporation and Teekay BLT Corporation entered into a Settlement Agreement with Teekay Corporation, Teekay LNG Partners L.P. and Teekay Tangguh Holding Corporations with the following conditions:

a. The Company shall pay Teekay Corporation the amount of US$ 0.5 million on June 30, 2014 and December 31, 2014 as payments against sums due pursuant to the court order.

b. The Company shall pay Teekay Tangguh Holdings Corporation the amount of US$ 0.5 million in satisfaction of the Company Guarantee Fees due at the date of the agreement.

c. Gandari Maritime Pte. Ltd., a subsidiary of the Company, irrevocably waives and releases BLT LNG Tangguh Corporation from all claims whatsoever with respect to the loan amounting to US$ 24.7 million.

d. Teekay BLT Corporation shall declare and pay dividend in the amount of US$ 21.5 million as soon as reasonably practicable.

e. Teekay BLT Corporation, BLT LNG Tangguh Corporation and the Company agreed that the part of the Promissory Note Debt owed by the Company to Teekay BLT Corporation with principal amount of US$ 3.6 million plus interest will be novated by the Company through transfer of debt owed by the Company to its subsidiary, BLT LNG Tangguh Corporation effective immediately.

f. DPIC shall be entitled through a shareholders' resolution to remove all directors from the board of BLT LNG Tangguh Corporation and replace those directors with its nominees.

17. LOANS PAYABLE (continued)

(iv) Related party loans (continued)

b. Teekay BLT Corporation and Teekay Corporation (continued)

On February 1, 2014, Teekay BLT Corporation declared total dividends of US$ 87.1 million, of which BLT LNG Tangguh Corporation's portion amounted to US$ 26.1 million. These dividends are used to offset the loan plus interest to Teekay BLT Corporation amounting to US$ 14.4 million and towards the repayment of the loan to Teekay Corporation amounting to US$ 11.7 million (Note 12).

On February 1, 2014, an intercompany loan agreement was entered between the Company and BLT LNG Tangguh Corporation where it was agreed that the application of the dividends received by BLT LNG Tangguh Corporation towards the repayment of the loan owed by the Company will result in an intercompany claim payable by the Company to BLT LNG Tangguh Corporation.

In 2015, Teekay BLT Corporation declared dividend of which portion of dividend received by BLT LNG Tangguh Corporation's amounting to US$ 0.8 million was used to offset from the principal loan due to Teekay Corporation (Note 12).

As of December 31, 2015, the loan from Teekay Corporation amounted to US$ 0.7 million, which comprise of US$ 121 thousand principal loan and US$ 539 thousand deferred interest. The annual effective interest rate of the loan is 8%.

As of December 31, 2014, the outstanding loan to Teekay Corporation amounted to US$ 1.8 million with annual effective interest rate of 6.78%.

(v) Others

Amicorp Trustees (Singapore) Limited

On December 23, 2015, Mizuho entered into an assignment agreement with Amicorp Trustees (Singapore) Limited, as trustee of the Fortuna Growth Fund (Sub-Fund A), where Mizuho sold, transferred and assigned its rights, titles and interests, with respect to the Restructuring Agreement, to Amicorp (Note 17d).

Upon the receipt of full consideration agreed by Mizuho and Amicorp, Mizuho shall automatically withdraw its position as a creditor to the Company pursuant of the Restructuring Agreement and release and discharge the collateral security and deliver it to Amicorp.

The carrying value of the restructured loan from Amicorp as of December 31, 2015 amounted to US$ 12.3 million. The annual effective interest rate of the loan is 3.11%.

18. BONDS PAYABLE

	2015	2014
	US$'000	US$'000
U.S. dollar bonds:		
12% Guaranteed Bonds	-	106,871
Zero Coupon Guaranteed Bonds	-	39,905
Rupiah bonds:		
Berlian Laju Tanker III Bonds	-	48,036
Berlian Laju Tanker IV Bonds	-	23,332
Sukuk Ijarah I	-	13,725
Sukuk Ijarah II	-	6,882
Total	**-**	**238,751**

US dollar bonds

a. US$125 million 12.0% Guaranteed Convertible Bonds

On February 10, 2010 and March 29, 2010, BLT International Corporation (BLT IC), a subsidiary, issued 12.0% Guaranteed Convertible Bonds totaling US$ 100.0 million and US$ 25.0 million, respectively. The bonds were issued at 100.0% of their face value and were unconditionally and irrevocably guaranteed by the Company.

Following the event of default, the trustee submitted its claim under the PKPU. Pursuant to the Restructuring Plan, the convertible Bondholders fall under the class of unsecured creditors.

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured convertible bonds using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for the convertible Bondholders are binding and set out as follows:

- Principal of US$125.0 million.
- Amortization by bullet payment on March 31, 2023.
- Forgive all outstanding and unpaid interest prior to July 1, 2012.
- Interest capitalized from July 1, 2012 until March 31, 2015.
- Interest rate of 1.0% in Years 1 to 4, 2.0% in Years 5 to 8, 3.0% in Years 9 to 10, with quarterly cash payments (in arrears) from June 30, 2015 subject to the provisions under the cash waterfall principles set out in the Restructuring Plan.
- Accelerated repayment from cash sweep.
- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.
- Conversion rights to be given up for issuance of 1.44% equity in the Company.

18. BONDS PAYABLE (continued)

US dollar bonds (continued)

a. US$125 million 12.0% Guaranteed Convertible Bonds (continued)

In 2013, the debt was converted into a zero coupon bond pursuant to the restructuring plan; therefore, all outstanding convertible bonds were reclassified to bonds payable.

Pursuant to the Restructuring Plan, the Group classified the restructured bonds as non-current liabilities in 2014.

The Restructured terms under the Restructuring Plan for the Guaranteed Convertible Bonds are further amended by the PKPU Amendment Plan (Note 40). Pursuant to the PKPU Amendment Plan, the restructured terms which bind the holder of Guaranteed Convertible Bonds are that they shall no longer be entitled to payment of principal or interest from the Company as a guarantor under the Guaranteed Convertible Bonds, but are instead entitled to receive:

- Shares in the Company arising from debt to equity swap for the principal debt and its portion of a 2% transfer of the total shares held by Surya family (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion), distributed on a pro rata basis among the Unsecured Creditors.

- A pro rata interest in Buana and Nevaeh, through a structure which will deliver the economic benefit of those assets to all unsecured creditors who are Plan Creditors under the PKPU Amendment Plan.

- A waiver of all interest capitalized under the 2013 Restructuring Plan.

As of December 31, 2015, the outstanding amount of the principal debt was converted into 1,598,228,619 shares in the Company.

Total loss from debt to equity swap transaction related to the Guaranteed Convertible Bonds amounted to US$ 13.4 million.

In 2015, the Group had written-off the value of equity assigned to unsecured creditors pursuant to the 2013 Restructuring Plan (Note 40).

The carrying value of the restructured US$ 125 million 12% guaranteed convertible bonds as of December 31, 2015 and 2014 amounted to nil and US$ 106.9 million, respectively. In 2014, the annual effective interest rate for these bonds was 4.27%.

b. US$ 48.9 million Guaranteed Convertible Bonds

In 2010, BLTF BV issued bonds amounting to US$ 48.9 million to investors at 96.0%.

The terms and conditions of the US$ 48.9 million Zero Coupon Guaranteed Convertible Bonds due in 2012 were described below:

- The maturity date was changed to February 10, 2015 and the bonds bear interest at the rate of 12.0% per annum.

18. BONDS PAYABLE (continued)

US dollar bonds (continued)

b. US$ 48.9 million Guaranteed Convertible Bonds (continued)

- The conversion price was Rp 409 per share with conversion period from June 27, 2007 to January 31, 2015.

- The number of shares to be delivered upon conversion will be determined by dividing the principal amount of the bonds to be converted (translated to rupiah at the fixed rate of Rp 9,362 = US$ 1.00 (the Fixed exchange rate) by the conversion price in effect at the conversion date.

Following the events of default, the trustee submitted its claim under the PKPU. Pursuant to the Restructuring Plan, the convertible bondholders fall under the class of unsecured creditors (Note 40).

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured convertible bonds using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for the convertible Bondholders are binding and set out as follows:

- Principal of US$ 48.9 million.

- Amortization by bullet payment on March 31, 2023.

- Forgive all outstanding and unpaid interest prior to July 1, 2012.

- Interest capitalized from July 1, 2012 until March 31, 2015.

- Interest rate of 1.0% in Years 1 to 4, 2.0% in Years 5 to 8, 3.0% in Years 9 to 10, with quarterly cash payments (in arrears) from June 30, 2015 subject to the provisions under the cash waterfall principles set out in the Restructuring Plan.

- Accelerated repayment from cash sweep.

- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

- Conversion rights to be given up for issuance of 0.56% equity in the Company.

In 2013, the debt was converted into a zero coupon bond due to the events of default related to deferred payments that occurred in 2012; therefore, all outstanding convertible bonds were reclassified to bonds payable.

Pursuant to the Restructuring Plan, the Group reclassified the restructured bonds as non-current liabilities in 2014.

19. BONDS PAYABLE (continued)

US dollar bonds (continued)

b. US$ 48.9 million Guaranteed Convertible Bonds (continued)

The restructured terms under the Restructuring Plan for the Guaranteed Bonds are further amended by the PKPU Amendment Plan (Note 40). Pursuant to the PKPU Amendment Plan, the restructured terms which bind the holder of Guaranteed Bonds are that they shall no longer be entitled to payment of principal or interest from the Company as a guarantor under the Guaranteed Bonds, but are instead entitled to receive:

- Shares in the Company arising from debt to equity swap for the principal debt and their portion of a 2% transfer of the total shares held by Surya family (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion), distributed on a pro rata basis among the Unsecured Creditors;

- A pro rata interest in Buana and Nevaeh, through a structure which will deliver the economic benefit of those assets to all unsecured creditors who are Plan Creditors under the PKPU Amendment Plan.

- A waiver of all interest capitalized under the 2013 Restructuring Plan.

As of December 31, 2015, the outstanding amount of the principal debt was converted into 625,214,250 shares in the Company.

Total loss from debt to equity swap transaction related to the Guaranteed Bonds amounted to US$ 7.4 million.

In 2015, the Group had written off the value of equity assigned to these bonds under the 2013 Restructuring Plan (Note 40).

The carrying value of the restructured zero coupon bonds as of December 31, 2015 and 2014, amounted to nil and US$ 39.9 million, respectively. In 2014, the annual effective interest rate for this bond was 4.85%.

Rupiah Bonds

In 2012, the Group had defaulted on its Berlian Laju Tanker III Bonds, Berlian Laju Tanker IV Bonds, Sukuk Ijarah I and Sukuk Ijarah II, following the announcement of the debt standstill on January 26, 2012.

Following the events of default, the Bondholders submitted their respective claims under the PKPU. Pursuant to the Restructuring Plan, the Bondholders fall under the class of unsecured creditors.

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the restructured bonds using appropriate interest rates determined by management at current prevailing rates applicable to the Group. The respective restructured terms with Bondholders under the Restructuring Plan are binding and set out as follows:

18. BONDS PAYABLE (continued)

Rupiah Bonds (continued)

a. Berlian Laju Tanker III Bonds and Sukuk Ijarah I (Rp900.0 billion 2012 Bonds)

- Principal of Rp 900.0 billion equivalent to US$ 95.5 million.
- Amortization by bullet payment on March 31, 2023.
- Forgive all outstanding and unpaid interest prior to July 1, 2012.
- Interest to be capitalized from July 1, 2012 until March 31, 2015.
- Interest rate of 5.0% in Years 1 to 3, 7.0% in Years 4 to 7, 9.0% in Years 8 to 10, with quarterly cash payments (in arrears) from June 30, 2015 subject to the provisions under the cash waterfall principles as set out in the Restructuring Plan.
- Accelerated repayment from cash sweep.
- New equity of the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

b. Berlian Laju Tanker IV Bonds and Sukuk Ijarah II (Rp 440.0 billion 2015 Bonds)

- Principal of Rp 440.0 billion equivalent to US$ 46.7 million.
- Amortization by bullet payment on March 31, 2023.
- Forgive all outstanding and unpaid interest prior to July 1, 2012.
- Interest to be capitalized from July 1, 2012 until March 31, 2015.
- Interest rate of 5.0% in Years 1 to 3, 7.0% in Years 4 to 7, 9.0% in Years 8 to 10, with quarterly cash payments (in arrears) from June 30, 2015 subject to the provisions under the cash waterfall principles as set out in the Restructuring Plan.
- Accelerated repayment from cash sweep.
- New equity of the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

Pursuant to the Restructuring Plan, the Company reclassified all of its bonds payables under non-current liabilities in 2014.

18. BONDS PAYABLE (continued)

Rupiah Bonds (continued)

The restructured terms under the Restructuring Plan for the Rupiah Bonds are further amended by the PKPU Amendment Plan (Note 40). Pursuant to the PKPU Amendment Plan, the restructured terms which bind the holders of Rupiah Bonds are that they shall no longer be entitled to payment of principal or interest from the Company, but are instead entitled to receive:

- Shares in the Company arising from debt to equity swap for the principal debt and their portion of a 2% transfer of the total shares held by Surya family (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion), distributed on a pro rata basis among the Unsecured Creditors;

- A pro rata interest in Buana and Nevaeh, through a structure which will deliver the economic benefit of those assets to all unsecured creditors who are Plan Creditors under the PKPU Amendment Plan.

- A waiver of all interest capitalized under the 2013 Restructuring Plan.

As of December 31, 2015, the outstanding amount of the principal debt was converted into 1,156,691,987 shares in the Company.

Total loss from debt to equity swap transaction related to Rupiah Bondholders amounted to US$ 10.4 million.

In 2015, the Group had written-off the value of equity assigned to these bonds under the 2013 Restructuring Plan (Note 40).

The carrying amount of the restructured Rupiah Bonds as of December 31, 2015 and 2014 amounted to nil and US$ 92.0 million, respectively. In 2014, the annual effective interest rate of Rupiah Bonds was 10.64%.

19. OBLIGATIONS UNDER FINANCE LEASE

	2015		2014	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	US$'000	US$'000	US$'000	US$'000
Less than 1 year	-	-	51,584	32,877
1 - 5 years	-	-	167,321	138,543
More than 5 years	-	-	10,654	9,600
Subtotal	-	-	229,559	181,020
Less future finance charges	-	-	(48,539)	-
Net	**-**	**-**	**181,020**	**181,020**
Current maturities			51,584	32,877
Non-current portion	-	-	177,975	148,143
Total	**-**	**-**	**229,559**	**181,020**

19. OBLIGATIONS UNDER FINANCE LEASE (continued)

The finance leases relate to leases with terms of 4 to 15 years with effective interest rates of between 4.2% and 10.0% on which the subsidiaries have options to purchase the vessels for an amount below the expected fair values at the conclusion of the lease agreements and/or the present value of minimum lease payments approximates the fair value of the leased asset at the inception of the lease. The subsidiaries' obligations under finance lease are secured by the vessels which are the objects of the finance lease.

In relation to the transfer of share capital of CB2, obligations under finance lease amounting to US$ 160.5 million were derecognized in 2015 (Notes 17 and 45).

20. OTHER PAYABLES

	2015	2014
	US$'000	US$'000
Payable to BULL	7,296	39,112
Claims for vessel repairs and fuel purchases	5,046	3,725
Liabilities arising from termination of lease contracts	-	188,525
Payable to suppliers:		
Related party	-	2,599
Third party	-	1,343
Other claims:		
Liabilities arising from exchange agreement for tax lease scheme	-	8,426
Liabilities arising from termination of vessel construction in progress	-	7,087
Others	-	1,085
Total	**12,342**	**251,902**
Current	1,585	1,998
Non-current	10,757	249,904
Total	**12,342**	**251,902**

a. Payable to BULL

On December 30, 2014, the Company has executed the agreement to transfer its investment in BULL as agreed with MLOR, Delta and BULL.

For the year ended December 31, 2014, the management has completed its reconciliation of due to BULL and its subsidiaries. As a result, the Group has recognized a gain of US$ 14.0 million arising from unreconciled and unaccounted balances for which the transactions cannot be traced anymore to prior years accounting records. The management decided to derecognize the unaccounted balances by a credit to "Other gains" account in the 2014 profit or loss (Note 35).

On March 20, 2015, the Company and BULL signed Statement of Confirmation whereby both parties agreed that net balance of due to BULL amounted to US$ 61.6 million, after the subrogated claim from the transfers of investment in BULL.

20. OTHER PAYABLES (continued)

a. Payable to BULL (continued)

The Group reclassified the balance of due to related party into other payables since BULL is no longer considered as related party upon the transfer of investment.

Other than the due to BULL, the Group reclassified a debit balance of US$ 4.1 million due from PT Karya Bakti Adil (a former subsidiary of BULL until December 28, 2014) into other receivable - third parties. The Group decided to provide full allowance for impairment for this other receivable due to uncertainty of collection.

Pursuant to the letter of undertaking by BULL dated October 13, 2014, it was agreed that BULL shall not and shall procure that its subsidiaries do not demand repayment of any outstanding intercompany payables due from the Group to BULL or any of its subsidiaries until (a) June 30, 2023 or (b) 3 months from the date in which all secured and unsecured creditors of the Group have been paid in full, whichever date is earlier, for so long as the Restructuring Plan remains valid and in effect.

Accordingly, the Group discounted the forecasted cash flows related to the payable to BULL using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The net carrying amount of the restructured payable to BULL as of December 31, 2014 amounted to US$ 39.1 million. The annual effective interest rate for this liability is 5.95%. In 2014, gain on restructuring recognized by the Group for the payable to BULL amounted to US$ 22.5 million.

Pursuant to PKPU Amendment Plan, no payments will be made to BULL until (i) all existing secured creditors are repaid in full, and (ii) the aggregate value of the 48% equity interest held by the PKPU Shareholder (including successors and nominees) (based on a 3-month weighted average share price) exceeds the total outstanding claims of US$ 1.1 billion.

Based on management's discounted forecasted cash flow analysis, using compound annual growth rate of 20.86% and discount rate of 12.28%, the Group will only be able to settle its payable to BULL by Year 2070. Accordingly, the Group recomputed the present value of cash flows related to payable to BULL using appropriate interest rate applicable to the Group. Gain on restructuring recognized by the Group amounted to US$ 35.3 million. The net carrying amount of the restructured payable to BULL as of December 31, 2015 amounted to US$ 7.3 million. The effective interest rate for this liability is 19.24%.

As part of BULL's successful restructuring process, PT Danatama Perkasa (DP), a third party investor, will transfer back 3,142 million shares (equivalent to 17.8% of the total issued shares) in BULL to the Company after the completion of the enforcement of BULL's security.

As of December 31, 2015, no shares have been received yet by the Company.

b. Claims for vessels repairs and fuel purchases

In 2012, the Group defaulted on payments of various trade creditors related to repairs and maintenance of vessels and purchase of fuel. These payables were reclassified to other payables while the Group is under negotiation with the creditors.

20. OTHER PAYABLES (continued)

b. Claims for vessels repairs and fuel purchases (continued)

In 2013, the Group entered into settlement agreements with its respective creditors regarding these liabilities. The terms of repayment schedules follow the provision in the Restructuring Plan on settlement of payments over a 5-year term.

In 2015, pursuant to PKPU Amendment Plan, the total restructured trade debt being 50% of the total trade debts shall be repaid in equal monthly installments over a period of five years (Note 40). Accordingly, gain on restructuring recognized from claims for vessel repairs and fuel purchases by the Group amounted to US$ 0.3 million.

The carrying amount of the restructured liabilities arising from vessel repairs and fuel purchases as of December 31, 2015 and 2014 amounted to US$ 5.0 million and US$ 3.7 million, respectively.

c. Liabilities arising from termination of lease contracts

The Group has terminated finance and operating lease contracts due to defaults on payments of lease obligations in 2012.

Following the termination of lease contracts, the lease creditors submitted their respective claims under the PKPU. Pursuant to the Restructuring Plan, such liabilities arising from termination of lease contracts fall under the class of lease creditors.

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured lease claims using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for the lease creditors are binding and set out as follows:

- Total claims of US$ 203.4 million (includes unpaid hires).
- Amortization by bullet payment on March 31, 2023.
- Interest rate of 1.0% in years 1 to 4, 2.0% in years 5 to 8, 3.0% in years 9 to 10 with quarterly cash payments (in arrears) from June 30, 2015, subject to the provisions of the cash waterfall principles set out in the Restructuring Plan.
- Accelerated repayment from cash sweep.
- Any amounts paid to lease creditors under the restructured lease agreements will be offset against the amount to be paid in year 10.
- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarge share capital of the Company.

20. OTHER PAYABLES (continued)

c. Liabilities arising from termination of lease contracts (continued)

Pursuant to the Restructuring Plan, the Company will consent to a further adjudication of the claims submitted by certain lease creditors during Company's PKPU process by an independent adjudicator to be mutually agreed by both parties. These claims were previously adjudicated by an independent adjudicator appointed by the Company at the PKPU Administrators' request. As of reporting date, the total amount of claims for further adjudication under the Restructuring Plan is US$ 36.7 million. The management does not expect there will be a material increase in the debt payable to these creditors arising from a further adjudication of these claims.

The restructured terms under the Restructuring Plan for the liabilities arising from termination of lease contracts are further amended by the PKPU Amendment Plan (Note 40). Pursuant to the PKPU Amendment Plan, the restructured terms which bind the holders of the liabilities arising from termination of lease contracts are that they shall no longer be entitled to payment of principal or interest from the Company as a guarantor under the liabilities arising from termination of lease contracts, but are instead entitled to receive:

- Shares in the Company arising from debt to equity swap for the principal debt and their portion of a 2% transfer of the total shares held by Surya family (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion), distributed on a pro rata basis among the Unsecured Creditors;

- A pro rata interest in Buana and Nevaeh, through a structure which will deliver the economic benefit of those assets to all unsecured creditors who are Plan Creditors under the PKPU Amendment Plan; and

- A waiver of all interest capitalized under the 2013 Restructuring Plan.

As of December 31, 2015, the outstanding amount of the principal debt was converted into 2,623,612,978 shares in the Company.

Total loss from debt to equity swap transaction related to these claims amounted to US$ 34.5 million.

In 2015, the Group had written-off the value of equity assigned to lease creditors under the 2013 Restructuring Plan (Note 40).

The carrying amount of the restructured liabilities arising from terminations of lease creditors as of December 31, 2015 and 2014 amounted to nil and US$ 188.5 million, respectively. In 2014, the annual effective interest rate for liabilities arising from termination of lease contracts was 4.55%.

20. OTHER PAYABLES (continued)

d. Payable to suppliers

On February 24, 2014, the Singapore High Court sanctioned the Schemes of Arrangement put forward by various subsidiaries of the Group. The schemes of agreement state that the total restructured trade debt being 80.0% of the total approved trade outstanding shall be treated as a loan of the Group which shall be repaid in equal monthly installments over 5 years with the first installment payable on the 5th business day of the first calendar month following the effectivity of the Schemes of Arrangement. In 2014, court proceedings related to the Schemes of Arrangement under Section 210 of the Companies Act were completed and the repayment plan for trade creditors under these schemes commenced on May 7, 2014.

Based on a present value calculation for the outstanding trade accounts payables under the Restructuring Plan, the trade accounts payable are ascertained to be US$ 3.9 million in 2014.

Accordingly, the Group recognized a gain on restructuring of trade accounts payable of US$ 4.8 million in 2014.

On May 25, 2015, the Scheme Applicants, apart from Tridonawati Maritime Pte Ltd ("2nd Scheme Applicants"), filed applications for leave to call creditors' meetings with a view to propose another scheme of arrangement between each 2nd Scheme Applicant and its creditors. These schemes of arrangement were intended to facilitate the transactions contemplated in the PKPU Amendment Plan by, among other, allowing for the transfer of the vessel owned by each 2nd Scheme Applicants to a new company.

On July 15, 2015 and July 16, 2015, each of the 2nd Scheme Applicants held their respective creditors' meetings in respect of the proposed schemes of arrangement. On July 23, 2015, each of the 2nd Scheme Applicants applied to the High Court of Singapore for their respective schemes of arrangement to be approved by the court. On August 17, 2015, the High Court of Singapore approved each of schemes of arrangement.

Outstanding payable to supplier is fully paid on November 30, 2015.

e. Other claims

The Group also has other significant liabilities from defaults on various agreements such as exchange agreement for tax lease scheme and termination of contracts for construction of vessels. In 2012, the Group defaulted on these contracts following the debt standstill.

Following the events of default, the creditors submitted their respective claims under the PKPU. Pursuant to the Restructuring Plan, such liabilities arising from other payables fall under the class of unsecured creditors.

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the restructured liabilities arising from other claims using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for the other restructured liabilities arising from other claims are binding and set out as follows:

- Total claims of US$ 22.1 million.
- Amortization by bullet payment on March 31, 2023.

20. OTHER PAYABLES (continued)

e. Other claims (continued)

- Interest rate of 1.0% in Years 1 to 4, 2.0% in Years 5 to 8, 3.0% in Years 9 to 10 with quarterly cash payments (in arrears) from June 30, 2015, subject to the provisions of the cash waterfall principles set out in the Restructuring Plan.

- Accelerated repayment from cash sweep.

- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

Pursuant to the Restructuring Plan, the Group reclassified all of other claims under non-current liabilities in 2014.

The carrying amount of the restructured liabilities arising from other claims as of December 31, 2014 amounted to US$ 16.6 million. The annual effective interest rates for liabilities arising from other claims range from 2.69% to 3.14%.

The restructured terms under the Restructuring Plan for the other claims are further amended by the PKPU Amendment Plan (Note 40).

Lloyds TSB Leasing Limited and Venus Ocean Navigation (Marubeni), the parties the Group owing to with regards to liabilities arising from exchange agreement for tax lease scheme and liabilities arising from termination of vessel construction in progress, respectively, shall be treated as unsecured creditors for purposes set out in the PKPU Amendment Plan.

Pursuant to the PKPU Amendment Plan, the restructured terms which bind Lloyds TSB Leasing Limited and Venus Ocean Navigation (Marubeni) are that they shall no longer be entitled to payment of principal or interest from the Company as a Guarantor, but are instead entitled to receive.

- Shares in the Company arising from debt to equity swap for the principal debt and their portion of a 2% transfer of the total shares held by Surya family (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion), distributed on a pro rata basis among the unsecured creditors;

- A pro rata interest in Buana and Nevaeh, through a structure which will deliver the economic benefit of those assets to all unsecured creditors who are Plan Creditors under the PKPU Amendment Plan.

- A waiver of all interest capitalized under the 2013 Restructuring Plan.

As of December 31, 2015, the outstanding amount of the principal debt held by Lloyds TSB Leasing Limited and Venus Ocean Navigation (Marubeni) was converted into 95,829,396 and 78,146,753 shares, respectively, in the Company.

Total loss on debt to equity swap transaction related to these claims amounted to US$ 71.2 thousand.

In 2015, the Group had written-off the value of equity assigned to unsecured creditors under the 2013 Restructuring Plan (Note 40).

21. PROVISION

In 2013, the Group recognized provisions related to probable claims amounting to US$ 7.1 million on various undertakings of subsidiaries for which the Group is under negotiation. The Group determined its best estimate of liability arising from these transactions based on available information. The Group reassesses its estimates on an annual basis to consider new and relevant information that may be available. As of December 31, 2014, the management estimates that the amount of provision is still the best estimate of the liabilities.

The disclosure of additional details beyond the present disclosures may seriously prejudice the Group's position and negotiation strategies with respect to these matters.

The restructured terms under the Restructuring Plan for the provisions are further amended by the PKPU Amendment Plan (Note 40). Pursuant to the PKPU Amendment Plan, the restructured terms which bind the holder of the provisions are that it shall no longer be entitled to payment of principal or interest from the Company as a guarantor under the the provisions, but are instead entitled to receive:

- Shares in the Company arise from debt to equity swap for the principal debt and their portion of a 2% transfer of the total shares held by Surya family (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion), distributed on a pro rata basis among the unsecured creditors; and

- A pro rata interest in Buana and Nevaeh, through a structure which will deliver the economic benefit of those assets to all unsecured creditors who are Plan Creditors under the PKPU Amendment Plan.

As of December 31, 2015, the outstanding amount the principal debt which was determined to be US$ 5.5 million and was converted into 61,694,835 shares in the Company.

Total gain from debt to equity swap transaction related to provision amounted to US$ 1.7 million.

22. PROVISION FOR POST-EMPLOYMENT BENEFITS

The Company has unfunded post-employment benefits for its qualifying employees in accordance with Labor Law No. 13/2003. The number of employees entitled to the benefits is 47 in 2015 and 95 in 2014 (unaudited). The component of net employee benefits expense recognized in the consolidated statement of profit or loss and other comprehensive income and amounts recognized in the consolidated statement of financial position for the provision for post-employment benefits as of December 31, 2015 and 2014, as determined by PT Padma Radya Aktuaria, an independent actuary, on its report dated March 14, 2016 and March 5, 2015, respectively, are as follows:

a. Net employee benefits expense (income):

	2015 US$'000	2014 US$'000
Current service cost	132	86
Interest cost	108	80
Curtailment/settlement	(102)	(197)
Employment benefits expense (income) - net	**138**	**(31)**

22. PROVISION FOR POST-EMPLOYMENT BENEFITS (continued)

b. The movement of post-employment benefits liability is as follows:

	2015	2014
	US$'000	US$'000
Beginning balance	1,481	2,564
Current service cost	132	86
Interest cost	108	80
Benefits paid	(24)	(109)
Curtailment/settlement	(102)	(197)
Remeasurements		
Effects of experience adjustments	(117)	(439)
Effects of changes in financial assumptions	(106)	309
Adjustment due to movement of employees	-	(809)
Effect of changes in foreign exchange rates	(141)	(4)
Ending balance	**1,231**	**1,481**
Current (presented under "Accrued expenses")	14	-
Non-current	1,217	1,481
Total	**1,231**	**1,481**

Management believes that the provision made is adequate to cover the Group's employee benefits obligation.

c. The principal assumptions used in determining the long-term employee benefits liability as of December 31, 2015 and 2014 are as follows:

	2015	2014
Discount rate per annum	9%	8.0%
Salary increment rate per annum	10%	10.0%
Mortality rate	100.0%/TMI3	100.0%/TMI3
Resignation rate	10% per annum until age 36 then decreasing linearly to 0% at age 55	10% per annum until age 36 then decreasing linearly to 0% at age 55

d. The quantitative sensitivity analysis for significant assumptions as of December 31, 2015 and 2014 is as follows:

	Discount rates		Future salary increases	
	Percentage	Effect on present value of benefits obligation	Percentage	Effect on present value of benefits obligation
		US$'000		US$'000
2015				
Increase	1%	(93)	1%	106
Decrease	-1%	103	-1%	(98)
2014				
Increase	1%	(124)	1%	141
Decrease	-1%	139	-1%	(129)

22. PROVISION FOR POST-EMPLOYMENT BENEFITS (continued)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

e. The maturity profile of defined benefit obligation as of December 31, 2015 and 2014 are as follows:

	2015	2014
	US$'000	US$'000
Within one year	14	-
2-5 years	223	409
More than 5 years	1,809	1,638
Total	**2,046**	**2,047**

The average duration of the provision for post-employment benefits is 10.11 and 10.38 as of December 31, 2015 and 2014, respectively.

23. NOTES PAYABLE

On May 4 2007, BLT finance B.V. (BLTF BV), a subsidiary, issued Guaranteed Senior Notes (the Notes) amounting to US$ 400.0 million with fixed interest rate of 7.5% per annum payable every six months (in arrears) commencing on November 15, 2007. The notes have a tenor of 7 years and are due on May 15, 2014. The Notes are offered at 100.0% of the nominal value and are listed in the SGX. The Notes are unconditionally and irrevocably guaranteed on a senior basis by the Company and certain subsidiaries.

Following the event of default, the trustee submitted its claim under the PKPU. Pursuant to the Restructuring Plan, the US$ Bondholders fall under the class of unsecured creditors.

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured notes payable using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for the US$ Bondholders are binding and set out as follows:

- Principal of US$ 400.0 million.
- Amortization by bullet payment on March 31, 2023.
- Interest to be capitalized as part of principal from 1 July 1, 2012 until March 31, 2015.
- Payment in kind (PIK) interest of 2.0% per annum in Years 1 to 10, payable in Year 10. Cash interest rate of 1.0% in Years 3 to 4, 2.0% in Years 5 to 8, 3.0% in Years 9 to 10, with quarterly cash payments (in arrears) from June 30, 2015 subject to the provisions under the cash waterfall principles set out in the Restructuring Plan.

23. NOTES PAYABLE (continued)

- 3.0% of shares in BULL ("High Yield (HY) BULL Shares") assuming the Company retains approximately 17.8% of the total issued shares in BULL (immediately before the transfer of any such shares to the US$ Bondholders). However, in the event that the Company retains less than 17.8% of the total issued share capital in BULL, then the amount of the HY BULL Shares shall for the purposes of this Restructuring Plan, be reduced on a pro-rata basis, based on the reduced percentage of total issued shares in BULL that the Company holds (e.g., if the Company retains approximately 10.0% of the total issued shares in BULL, then the HY BULL Shares shall be {(10.0%/17.8% x 3.0%)=1.7%)} and provided always that the HY bull shares may not be reduced to less than 2.0% of the ordinary shares in BULL). If the HY BULL shares are reduced to less than 3.0% of the ordinary shares in BULL, the Company shall either issue new shares ("HY Company Shares") to a maximum 2.0% of the enlarged share capital of the Company or provide other assets to make up shortfall on each case as agreed upon by the US$ Bondholders in respect of HY BULL shares.

- Provision of the BULL-Teekay SPV Security which will secure (i) the Working Capital Facility in Years 1 and 2 and (ii) up to US$ 17.2 million of the aggregate of the principal due to the MLA Lenders and the US$ Bondholders, and the interest payments to the MLA Lenders and the US$ Bondholders in Years 3 and 4 up to US$ 17.2 million.

- In the event that the BULL-Teekay SPV Security or any part thereof is realized in Year 3 or 4, the cumulative proceeds of any such realizations shall be shared as follows; First, in satisfaction of the costs and expenses of enforcement; Second, in satisfaction of all amounts due under the Working Capital Facility; Third, in satisfaction of amounts due to the US$ Bondholders and the MLA Lenders on a 50:50 basis so that each dollar of proceeds received shall be paid, as to 50.0% thereof, to or for the account of the US$ Bondholders and, as to 50.0% thereof, to or for the account of the MLA Lenders, subject to a maximum of US$ 8.6 million each; and Fourth, any balance of the proceeds of enforcement in excess of US$ 17.2 million shall be subject to the cash waterfall principles set out in the Restructuring Plan.

- Enforcement of the BULL-Teekay SPV Security to satisfy payments of interest to the MLA Lenders and/or the US$ Bondholders in Year 3 and Year 4 shall not cause an event of default under the Plan, nor shall an event of default occur if the proceeds of the realization of the BULL-Teekay SPV Security are, after application thereof towards repayment of the secured indebtedness, sufficient to cover any such interest payments due and owing.

- Inter-creditor or subordination agreement to be signed between the MLA Lenders and the US$ Bondholders to govern their respective priorities and obligations in respect of the BULL-Teekay SPV Security in the manner set out in preceding provisions.

- Accelerated repayment from cash sweep.

- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

As of December 31, 2015 and 2014, the Group is still unable to determine the percentage of BULL shares that will be retained by the Company and the additional new shares that will be issued to the US$ Bondholders. The 2015 and 2014 accompanying consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

23. NOTES PAYABLE (continued)

The Restructured terms under the Restructuring Plan for the US$ Bondholders are further amended by the PKPU Amendment Plan (Note 40). Pursuant to the PKPU Amendment Plan, the restructured terms which bind the US$ Bondholders are that they shall no longer be entitled to payment of principal or interest from the Company as a guarantor under the Notes Payable, but are instead entitled to receive:

- Shares in the Company arising from debt to equity swap for the principal debt and their portion of a 2% transfer of the total shares held by Surya family (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion), distributed on a pro rata basis among the Unsecured Creditors.

- The payment of the HY Interest (being the total of the accrued and unpaid interest on the Notes during the period of April 1, 2015 to March 31, 2017, up to an amount of US$ 8.6 million, of which a maximum of US$ 5.5 million remains outstanding as of December 31, 2015).

- A pro rata interest in Buana and Nevaeh, through a structure which will deliver the economic benefit of those assets to all unsecured creditors who are Plan Creditors under the PKPU Amendment Plan.

- A waiver of all interest capitalized under the 2013 Restructuring Plan.

As of December 31, 2015, the outstanding amount of the principal debt was converted into 4,517,659,093 shares in the Company.

Total gain from debt to equity swap transaction related to US$ Bonds amounted to US$ 7.2 million.

The Group recorded loss on restructuring, offset against gain on extinguishment of debt, amounting to US$ 9.0 million for the year ended December 31, 2015 as a result of error in use of 365 day period in determining fair value of the notes payable for the year ended December 31, 2013. The loss charged in 2015 consolidated financial statements is composed overstatement of gain on debt restructuring and understatement of interest amounting to US$ 8.8 million in 2013 and understatement of interest amounting to US$ 0.2 million in 2014. Had the Group recorded such amount in, or allocated to the proper accounting periods, the consolidated net income for the year ended December 31, 2015 would have been increased by US$ 9.0 million.

In 2015, the Group had written-off the value of equity assigned to unsecured creditors under the 2013 Restructuring Plan (Note 40).

The carrying value of restructured notes payable as of December 31, 2015 and 2014 amounted to nil and US$ 382.1 million, respectively. In 2014, the annual effective interest rate for restructured notes payable was 4.85%.

24. SHARE CAPITAL

The composition of shareholders based on the register of Securities Administration Agency and PT Kustodian Sentral Efek Indonesia as of December 31, 2015 and 2014 is as follows:

	2015		
	Number of shares	Percentage of ownership (%)	Total paid-up capital
			US$'000
PT Tunggaladhi Baskara	4,383,489,018	18.67%	41,583
Citibank Singapore S/A CBSG-CDP-Indonesia C/O. Citibank, N.A	1,752,838,893	7.46%	16,628
Bina Surya Group Employees Cooperative	2,422,056	0.01%	23
Siana Anggraeni Surya	62,400	0.00%	1
Public (below 5,0%)	5,412,019,103	23.05%	51,340
Debt to equity swap			
Holders of notes payable	4,517,659,093	19.24%	20,468
Rupiah bondholder	1,156,691,987	4.93%	5,241
Guaranteed convertible bondholder and guaranteed bondholder	2,223,442,869	9.47%	10,074
Lease creditors	2,623,612,978	11.17%	11,887
Derivative creditors	1,111,874,087	4.73%	5,037
Others	299,205,054	1.27%	1,355
Total	**23,483,317,538**	**100.00%**	**163,637**

	2014		
	Number of shares	Percentage of ownership (%)	Total paid-up capital
			US$'000
PT Tunggaladhi Baskara	4,383,489,018	37.95%	41,583
Citibank Singapore S/A CBSG-CDP-Indonesia C/O Citibank, N.A	1,752,838,893	15.18%	16,628
Bina Surya Group Employees Cooperative	2,422,056	0.02%	23
Siana Anggraeni Surya	62,400	0.00%	1
Public (below 5.0 % each)	5,412,019,103	46.85%	51,340
Total	**11,550,831,470**	**100.00%**	**109,575**

Based on notarial deed No. 16 dated November 23, 2015 of Firdhonal, SH, notary in Jakarta, the Shareholders resolved and approved the increase of authorized capital from 14,676,480,000 shares to 44,237,830,228 series A shares and 2,456,869,565 series B shares or equivalent to Rp 2,887,707,867,500 and the issued and paid up capital of 11,550,831,470 series A shares to 23,483,317,538 series A shares or equivalent to Rp 1,467,707,346,125 and the issuance of new series A shares amounting to 11,932,486,068 shares (Notes 25 and 40). This change was approved by the Ministry of Law and Human Rights of the Republic of Indonesia on December 6, 2015.

Pursuant to PKPU Amendment Plan, PT Tunggaladhi Baskara committed to transfer the 2% of the total ordinary shares in the Company held by Surya Family to unsecured creditors to be distributed on a pro rata basis among based on the principal debt outstanding. Until the issuance date of this report, no transfer of shares has been made yet.

25. ADDITIONAL PAID-IN CAPITAL

	2015	2014
	US$'000	US$'000
Paid-in capital	1,188,317	208,826
Equity component of convertible bonds	177	177
Difference in capital on treasury shares transaction (Note 26)	(72,856)	(72,856)
Exercise of convertible bonds	(6)	(6)
Net	**1,115,632**	**136,141**

Pursuant to PKPU Amendment Plan, the Company issued 11,932,486,068 Series A shares (in full amount) in exchange for the settlement of principal debts amounting to US$ 1,033.5 million with the unsecured creditors (Notes 24 and 40). As a result, an amount of US$ 979.5 million is recognized as Additional Paid-in Capital.

26. TREASURY SHARES

At the Extraordinary General Meeting of Shareholders, as stated in notarial deed No. 47 dated May 31, 2006 of Amrul Partomuan Pohan, S.H., LL.M., notary in Jakarta, the shareholders approved to repurchase a maximum of 10.0% of the issued and paid-up shares, at the purchase price of Rp 2,750 per share until May 31, 2007.

In August 2010, the Company entered into a standby facility agreement of US$ 7.5 million. This facility was drawn down in September 2011 in the amount of US$ 7.3 million which was secured by treasury shares with market value on that date amounting to Rp 97.2 billion or equivalent to US$ 11.3 million. The Company did not fulfill its obligations on the maturity date on November 14, 2011; hence an event of default was declared on November 21, 2011 of which the treasury shares were exercised to cover the repayment of the facility. The difference between the carrying amounts of loan and interest and the acquisition cost of such treasury share amounting to US$ 72.9 million was recorded as difference in capital on treasury share transaction, a component of Additional Paid-in Capital (Note 25).

The total number of treasury shares amounted to 31,027,111 shares or 0.13% and 0.27% of total issued shares in 2015 and 2014, respectively.

27. DIFFERENCE ARISING FROM CHANGES IN EQUITY OF SUBSIDIARIES AND EFFECT OF TRANSACTIONS WITH NON-CONTROLLING INTERESTS

This account consists of the following transactions:

	2015	2014
	US$'000	US$'000
Initial public offering of BULL shares	22,669	22,669
Execution of pledged BULL shares	(8,289)	(8,289)
Exchangeable notes recognized as additional investment in BULL	(4,154)	(4,154)
Others	(2,439)	(2,439)
Net	**7,787**	**7,787**

27. DIFFERENCE ARISING FROM CHANGES IN EQUITY OF SUBSIDIARIES AND EFFECT OF TRANSACTIONS WITH NON-CONTROLLING INTERESTS (continued)

BULL was a former subsidiary of the Company until it was deconsolidated in 2013. The above transactions were the result of changes in the equity ownership of the Company in BULL that were recognized directly in equity.

28. RESERVES

	2015 US$'000	2014 US$'000
Revaluation reserves	6,029	11,457
General reserves	5,898	5,898
Financial statements translation	(121)	29
Net	**11,806**	**17,384**

a. Revaluation reserves

	2015 US$'000	2014 US$'000
Beginning balance	11,457	15,947
Net revaluation increase (decrease) (Note 13)	6,149	(2,785)
Deferred income tax	(500)	382
Transfers to deficit	(11,077)	(2,087)
Ending balance	**6,029**	**11,457**

The revaluation reserves arose from the revaluation of vessels, net of deferred tax, as applicable. Where revalued vessels are sold, the portion of the revaluation reserves related to that vessel, is effectively realized, and is transferred directly to deficit.

b. General reserves

Based on Limited Liability Company Law No. 40 Year 2007, the Company shall appropriate certain amounts of its profit in each year to general reserves if there are funds available, until the general reserves reach at least 20.0% of the issued and fully paid share capital.

The Company allocated general reserves totaling US$ 5.9 million or 3.6% of its issued and fully paid share capital. Such general reserves were approved in prior years' Annual Shareholders' Meetings.

c. Financial statements translation

This reserve consists of foreign exchange differences from translation to US$ of subsidiaries' and associates' financial statements with functional currency other than US$.

29. DEFICIT

	2015	2014
	US$'000	US$'000
Beginning balance	(1,461,929)	(1,424,072)
Net income (loss) for the year	187,219	(40,042)
Transfers from revaluation reserves (Note 28a)	11,077	2,087
Remeasurement on post-employment benefits	167	98
Ending balance	**(1,263,466)**	**(1,461,929)**

Remeasurement on post-employment benefits pertains to remeasurements arising from valuation of post-employment benefits with movement as follows:

	2015	2014
	US$'000	US$'000
Beginning balance	998	900
Addition credited to OCI	167	98
Ending balance	**1,165**	**998**

30. OPERATING REVENUES

	2015	2014
	US$'000	US$'000
Operating revenues from:		
Chemical vessels	237,453	295,075
Gas vessels	15,186	19,783
Others	552	567
Total	**253,191**	**315,425**

There were no revenues from a customer that exceeded 10.0% of total operating revenues.

31. VOYAGE EXPENSES

	2015	2014
	US$'000	US$'000
Fuel (Note 9)	49,165	94,421
Port charges	34,739	43,784
Total	**83,904**	**138,205**

0.03% and 0.09% of the above voyage expenses were from related parties in 2015 and 2014, respectively (Note 38).

There were no expenses from a specific party that exceeded 10.0% of the total voyage expenses.

32. SHIP OPERATING EXPENSES

	2015	2014
	US$'000	US$'000
Vessel crew salaries	24,156	28,060
Insurance	5,246	4,995
Spare parts	4,295	5,304
Repairs and maintenance	3,894	3,693
Management fee	3,337	3,891
Lubricant	2,670	2,333
Transportation	2,107	3,310
Processing of documents	1,766	2,063
Vessel crew meal allowances	1,719	1,875
Supplies	1,321	1,049
Others	6,748	7,538
Total	**57,259**	**64,111**

There were no expenses from a specific party that exceeded 10.0% of the total ship operating expenses.

33. ADMINISTRATIVE EXPENSES

	2015	2014
	US$'000	US$'000
Professional fees	25,080	21,642
Salaries	9,174	10,795
Office expenses	1,980	2,211
Transportation	774	1,091
Representation	626	617
Telecommunication	419	476
Depreciation (Note 13)	322	338
Bank charges	242	246
Employee benefits expense (income) (Note 22)	138	(31)
Provision for impairment loss on receivables (Note 7)	85	2,761
Marketing	82	113
Training and education	52	81
Others	1,275	1,433
Total	**40,249**	**41,773**

34. FINANCE COST

	2015	2014
	US$'000	US$'000
Borrowings	71,010	73,330
Obligations under finance lease	16,673	20,033
Total	**87,683**	**93,363**

35. OTHER LOSSES - NET

	2015	2014
	US$'000	US$'000
Impairment loss on AFS financial assets (Note 11)	(3,400)	(17,351)
Reversal of impairment (revaluation decrease) of vessels (Note 13)	2,242	(9,609)
Loss on disposal of fixed assets (Note 13)	(703)	(1,392)
Difference arising from reconciliation of payable to BULL (Note 20)	-	13,975
Others	(537)	1,454
Net	**(2,398)**	**(12,923)**

36. EARNINGS (LOSS) PER SHARE

The Group's computation for basic earnings (loss) per share for 2015 and 2014 is as follows:

	2015	2014
Net income (loss) attributable to owners of the Company (US$'000)	187,219	(40,042)
Weighted average number of outstanding shares	11,519,804,359	11,519,804,359
Basic earnings (loss) per share	**0.0162**	**(0.0035)**

The Group's computation for diluted earnings (loss) per share for 2015 and 2014 is as follows:

	2015	2014
Net income (loss) attributable to owners of the Company (US$'000)	187,219	(40,042)
Weighted average number of outstanding shares	11,519,804,359	11,519,804,359
Effect of dilution:		
Shares to be issued to PT Megah Elang Inti (Note 41)	2,456,869,565	-
Weighted average number of shares adjusted for the effect of dilution	13,976,673,924	11,519,804,359
Diluted earnings (loss) per share	**0.0134**	**(0.0035)**

Diluted earnings (loss) per share amounts are calculated by dividing the net income (loss) attributable to owners of the Company by the weighted average number of outstanding shares during the year plus the weighted average of shares to be issued to PT Megah Elang Inti under the PKPU Amendment Plan (Note 41).

37. SEGMENT INFORMATION

Information reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance focuses on type of products or services delivered or provided. The Group's reportable segments are, based on type of vessels chartered: chemical tankers, gas tankers, oil tankers, Floating Production, Storage and Offloading (FPSO) vessels and others.

The following summary describes the operations in each of the reportable segments:

a. Chemical tankers provide maritime transportation of liquid chemical (organic and non-organic) and vegetable oil and animal fats.

b. Gas tankers provide maritime transportation of liquefied gas, which include, among others, LPG, propylene, propane and LNG.

c. Oil tankers provide maritime transportation of lubricating oil (base oil and additives), crude oil and petroleum products.

d. FPSO provides floating tanker facility for production, storage and off-loading of oil.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2 to the consolidated financial statements. Segment profit represent the profit earned by each segment without allocation of administrative expenses, finance cost, investment income, and share in profit (loss) of associates, and other gains and losses. This is the measure reported to the directors as the chief operating decision- maker for the purposes of resource allocation and assessment of segment performance.

The following tables show the analysis of the Group's reportable segments:

Segment assets and liabilities

	2015 US$'000	2014 US$'000
Segment assets		
Gas	35,740	84,481
Chemical	9,912	565,499
Others	7,643	13,766
Total	53,295	663,746
Unallocated assets	47,811	24,066
Consolidated	**101,106**	**687,812**
Segment liabilities		
Gas	6,858	9,205
Chemical	1,383	204,278
Others	13,782	19,689
Total	22,023	233,172
Unallocated liabilities and eliminations	42,272	1,627,015
Consolidated	**64,295**	**1,860,187**

37. SEGMENT INFORMATION (continued)

Segment revenues and expenses

	2015				
	Chemical	Gas	Others	Eliminations	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Segment revenue					
External revenue	237,453	15,186	2,547	(1,995)	253,191
Segment expenses					
Voyage expenses	80,210	3,694	-	-	83,904
Charter expenses	11,686	-	-	-	11,686
Ship operating expenses	47,542	9,717	1,995	(1,995)	57,259
Vessel depreciation	33,186	3,543	-	-	36,729
Total segment expenses	172,624	16,954	1,995	(1,995)	189,578
Segment profit (loss)	**64,829**	**(1,768)**	**552**	**-**	**63,613**
Unallocated					
Administrative expenses					(40,249)
Gain on extinguishment of debt - net					172,847
Gain on debt restructuring					40,561
Foreign exchange gain - net					17,189
Share in profits of associates and joint venture					6,968
Finance cost					(87,683)
Interest income					5
Other losses - net					(2,398)
Consolidated net income before income tax					**170,853**

	2014					
	Chemical	Gas	Oil	Others	Eliminations	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Segment revenue						
External revenue	295,075	19,783	-	2,456	(1,889)	315,425
Segment expenses						
Voyage expenses	132,392	5,741	72	-	-	138,205
Charter expenses	16,616	-	-	-	-	16,616
Ship operating expenses	51,589	12,227	295	1,889	(1,889)	64,111
Vessel depreciation	37,053	4,162	605	-	-	41,820
Total segment expenses	237,650	22,130	972	1,889	(1,889)	260,752
Segment profit (loss)	**57,425**	**(2,347)**	**(972)**	**567**	**-**	**54,673**
Unallocated						
Administrative expenses						(41,773)
Gain on debt restructuring						27,277
Foreign exchange gain - net						21,815
Share in profits of associates and joint venture						3,850
Finance cost						(93,363)
Interest income						10
Other losses - net						(12,923)
Consolidated net loss before income tax						**(40,434)**

37. SEGMENT INFORMATION (continued)

Segment revenues and expenses (continued)

There were no revenues from a customer that exceeded 10.0% of the total revenues. Segment revenue reported above represents revenue generated from external customers.

Segment revenue reported above represents revenue generated from external customers (Note 30).

Other segment information

	Depreciation		Capital expenditures	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Chemical	33,186	37,053	7,535	6,995
Gas	3,543	4,162	1,412	2,666
Oil	-	605	-	-
Consolidated	**36,729**	**41,820**	**8,947**	**9,661**

Geographical segment information

The Group is domiciled in two main geographical areas namely, Malaysia and Indonesia.

	2015			
	Malaysia	Indonesia	Unallocated and Eliminations	Consolidated
	US$'000	US$'000	US$'000	US$'000
Assets and liabilities				
Total segment assets	64,485	18,037	18,584	101,106
Total segment liabilities	(15,671)	(6,353)	(42,271)	(64,295)
Net assets (liabilities)	**48,814**	**11,684**	**(23,687)**	**36,811**

	2015			
	Malaysia	Indonesia	Eliminations	Consolidated
	US$'000	US$'000	US$'000	US$'000
Revenues				
External revenues	249,666	3,525	-	253,191
Inter-segment revenues	1,935	-	(1,935)	-
Total revenues	**251,601**	**3,525**	**(1,935)**	**253,191**

37. SEGMENT INFORMATION (continued)

Geographical segment information (continued)

	2014			
	Malaysia	Indonesia	Unallocated and eliminations	Consolidated
	US$'000	US$'000	US$'000	US$'000
Assets and liabilities				
Total segment assets	650,806	12,940	24,066	687,812
Total segment liabilities	(225,192)	(7,980)	(1,627,015)	(1,860,187)
Net assets (liabilities)	**425,614**	**4,960**	**(1,602,949)**	**(1,172,375)**

	2014			
	Malaysia	Indonesia	Eliminations	Consolidated
	US$'000	US$'000	US$'000	US$'000
Revenues				
External revenues	310,480	4,945	-	315,425
Inter-segment revenues	1,995	-	(1,995)	-
Total revenues	**312,475**	**4,945**	**(1,995)**	**315,425**

38. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Nature of relationship

- PT Bagusnusa Samudra Gemilang is the ultimate parent and controlling party of the Group.
- Thai Petra Transport Co. Ltd. Is an associated entity of the Group.
- PT Garuda Mahakam Pratama is a company under common control of PT Bagusnusa Samudra Gemilang.
- PT Arpeni Pratama Ocean Line Tbk is a company owned by close family members of the controlling party of PT Bagusnusa Samudra Gemilang.
- Pan Union Agencies Pte. Ltd. and Pan Union Shipping Pte. Ltd. are companies that are directly or indirectly owned by Ms. Siana Anggraeni Surya, the Company's President Director.

Transactions with related parties

The Group, in the regular conduct of its business, has engaged in transactions with related parties.

38. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with related parties (continued)

The outstanding balances with related parties are as follows:

	Amount		Percentage to total consolidated liabilities	
	2015	2014	2015	2014
	US$'000	US$'000		
Trade accounts payable (Note 14):				
Thai Petra Transport Co. Ltd.	150	221	0.23%	0.01%
PT Arpeni Pratama Ocean Line Tbk	38	-	0.06%	0.00%
PT Garuda Mahakam Pratama	26	18	0.04%	0.00%
Others	96	725	0.15%	0.04%
Other payable (Note 20):				
Pan Union Agencies Pte. Ltd.	-	2,599	0.00%	0.14%
Loans payable (Note 17):				
PT Bagunusa Samudra Gemilang	1726	8,271	2.68%	0.44%
Total	**2,036**	**11,834**	**3.16%**	**0.63%**

Voyage expenses incurred with related parties are as follows:

	Amount		Percentage to total consolidated voyage expenses	
	2015	2014	2015	2014
	US$'000	US$'000		
Voyage expenses:				
Thai Petra Transport Co. Ltd.	19	78	0.02%	0.06%
PT Arpeni Pratama Ocean Line Tbk	1	14	0.00%	0.01%
PT Garuda Mahakam Pratama	7	22	0.01%	0.02%
Total	**27**	**114**	**0.03%**	**0.09%**

Total compensation of the Company's key management (commissioners and directors) during the year is as follows:

	2015	2014
	US$'000	US$'000
Short-term benefits	651	557
Post-employment benefits	386	234
Total	**1,037**	**791**

39. LITIGATIONS

On January 26, 2012, following the covenant breach of an agreement covering a loan granted to one of the subsidiaries for which the Company is a guarantor, the Company declared a debt standstill on all of the Group's bank loans, bonds, lease and derivative agreements and other financial obligations, to enable the Group to review its financial position and arrangements. BULL and its creditors are excluded from the debt standstill. Accordingly, several of the Group's creditors declared events of default. On June 14, 2012, Mandiri filed a petition for PKPU proceedings against the Company in the Central Jakarta Commercial Court.

- PKPU proceedings in Indonesia

  On March 14, 2013, the requisite majority of the secured and unsecured creditors of the Company voted to approve a plan put forward by the Company for the restructuring of its debts as part of the PKPU process overseen by the Central Jakarta Commercial Court. The Restructuring Plan was subsequently ratified by the Central Jakarta Commercial Court on March 22, 2013.

  On March 28, 2013, six related Indonesian bondholders filed an appeal to the Supreme Court of the Republic of Indonesia ("Supreme Court") against the decision of the Central Jakarta Commercial Court in ratifying the Restructuring Plan. On July 25, 2013, the Supreme Court dismissed the PKPU appeal of the six Indonesian bondholders.

  On June 16, 2014, the Supreme Court issued a judgment which set out the grounds for its rejection of the PKPU appeal filed by the six Indonesian bondholders.

  On July 18, 2014, the six related Indonesian bondholders filed a civil review against the Supreme Court Decision which was rejected again by the Supreme Court on November 2, 2015.

  Section I paragraph 4 of the Restructuring Plan authorized the Company to amend the PKPU Plan with the approval of at least 50% of the creditors and 66.67% of the amount of claims outstanding from the two classes of creditors (secured and unsecured) attending and voting at a creditor's meeting.

  On July 8, 2015, after the issuance of the PKPU Amendment Plan to the creditors, the same group of Rupiah bonds holders filed a lawsuit to nullify the PKPU Amendment Plan.

  The Commercial Court dismissed the lawsuit in its entirety in a hearing on September 7, 2015 and the same group filed an appeal again on September 15, 2015 to the Supreme Court. The Supreme Court has again rejected the plaintiffs' lawsuit on January 27, 2016.

- Chapter 11 proceedings in the United States

  On December 13, 2012, Gramercy entities (major bondholder of the US$ secured bonds) filed for Chapter 11 Proceedings in the US Bankruptcy Court ("US Court").

  On March 7, 2013, the Company reached an agreement with Gramercy pursuant to which the Chapter 11 proceedings would be indefinitely stayed pending a final order being granted in Chapter 15 proceedings.

  On December 8, 2014, the Company filed a motion with the US Court to dismiss the Chapter 11 proceedings.

  On January 8, 2015, the Chapter 11 Proceedings were dismissed and the case was ordered to be closed.

39. LITIGATIONS (continued)

- Chapter 15 proceedings in the United States

  On March 26, 2013, following the ratification of the Company's Restructuring Plan by the Central Jakarta Commercial Court, the Company filed a petition under Chapter 15 of the United States Bankruptcy Code to recognize the PKPU proceedings as foreign main proceedings.

  On May 21, 2013, the US Court granted recognition of the Indonesian PKPU proceedings as foreign main proceedings. The order for recognition is accompanied by a permanent injunction on all litigation and enforcement proceedings against the Company within the US. The next step in the Chapter 15 process is for the Company to file an application seeking enforcement of the Restructuring Plan in the US.

  On December 8, 2014, the Company filed a motion with the US Court to grant recognition of the Restructuring Plan within the United States.

  On January 8, 2015, the US Court granted recognition of the Indonesian PKPU plan including any amendments or modifications and gave the plan full force and effect in US to the same extent that are given effect in Indonesia and each is binding on all Plan Creditors (as defined in the PKPU Plan) of the Company.

  On August 27, 2015, Chapter 15 Proceedings were closed by order of the US Bankruptcy Court, with the closing order clarifying that any amendments to the PKPU Plan be given full force and effect with references to the PKPU Plan in the PKPU Recognition Order including any amendment to the PKPU Plan.

- Section 210 (10) proceedings in Singapore

  On September 13, 2013, following the ratification of the Company's Restructuring Plan by the Central Jakarta Commercial Court, the Singapore High Court granted certain subsidiaries of the Company ("Relevant Subsidiaries") to convene meetings of the creditors for the purposes of approving a scheme of arrangement between each Relevant Subsidiary and its creditors.

  The Relevant Subsidiaries' proposals under their respective schemes of arrangement are part of the implementation of the restructuring initiatives set out in the Restructuring Plan proposed by the Company and approved by the Indonesian courts in the Company's PKPU process. The terms being proposed to each of the Relevant Subsidiaries' creditors under the schemes of arrangement mirror, insofar as possible, the terms proposed to similarly placed creditors of the Company under the Restructuring Plan. The schemes of arrangement do not concern any bank borrowings of the Company or its subsidiaries, which are being restructured separately.

  On February 17, 2014, the Scheme Applicants applied to the High Court of Singapore for their respective schemes of arrangement to be approved by the court. On February 25, 2014, the High Court of Singapore approved each of the schemes of arrangement proposed by the Scheme Applicants.

  On May 25, 2015, the Scheme Applicants apart from Tridonawati Maritime Pte Ltd ("2nd Scheme Applicants") filed applications for leave to call creditors' meetings with a view to proposing another scheme of arrangement between each 2nd Scheme Applicant and its creditors. These schemes of arrangement were intended to facilitate the transactions contemplated in the PKPU Amendment Plan by, among other things, allowing for the transfer of the vessel owned by each 2nd Scheme Applicant to a new company.

39. LITIGATIONS (continued)

- Section 210 (10) proceedings in Singapore (continued)

  On July 15, 2015 and July 16, 2015, each of the 2nd Scheme Applicants held their respective creditors' meetings in respect of the proposed schemes of arrangement. On July 23, 2015, each of the 2nd Scheme Applicants applied to the High Court of Singapore for their respective schemes of arrangement to be approved by the court.

  On August 17, 2015, the Singapore High Court approved and sanctioned the schemes of arrangement of all the Relevant Subsidiaries.

The Group's management represents that there are no other ongoing legal cases or arbitration insofar as they are aware which are faced by the Group in addition to those disclosed above.

40. OVERVIEW OF THE RESTRUCTURING PLAN

On March 22, 2013, the Company's Restructuring Plan was ratified by the decision of the Central Jakarta Commercial Court, wherein all parties must abide by and perform the terms of the Restructuring Plan and the Company will be discharged from the PKPU proceedings.

Prior to the ratification of the Restructuring Plan, there were ongoing restructuring steps taken such as business preservation, cash management improvement, fleet restructuring including renegotiation of leases, tonnage allocation, sale of non-profitable vessels, appointment of third party ship management, sales of ethylene vessels, office rationalization, efficiency of general and administration expenses and the management of operational vessels.

Further, the Company agreed with the MLA for a working capital facility of a certain amount, part of which will provide the necessary funding other than funding derived from the sales proceeds of vessels to perform necessary restructuring initiatives. In connection with this working capital facility, the MLA Lenders have set out a number of requirements as a condition for providing the funds, the security, addressing the Group's structure, the secured shares, changes in management, sales of certain vessels, monitoring accountant and assessment of tax implications on restructuring.

PKPU creditors under the Restructuring Plan are classified as follows: (1) secured creditors, comprising of Mandiri, BCA, Deutsche Bank, AG., Bank Mizuho and MLOR; and (2) unsecured creditors, comprising of HSBC Bank USA (trustee of notes payable), HSBC Hong Kong Limited (trustee of convertible bonds), PT Bank CIMB Niaga Tbk (trustee of bonds payable), Gramercy Distressed Opportunity Fund (Gramercy) (bondholders), Cowell & Lee Asia Credit Opportunity Fund (bondholders) and others. The majority of secured and unsecured creditors have agreed to the Restructuring Plan. The ratified Restructuring Plan ("the Plan") provides/prescribes, among others:

a. The Plan has been developed in the face of a number of adverse factors such as the following:

   - challenging and persistently poor shipping market conditions;
   - severe working capital crisis and the need to fund for restructuring initiatives from operating cash flows;
   - simultaneous financial restructuring of BULL, application of Chapter 11 petition by Gramercy against the Company in New York;
   - maritime law requirements and processes in different jurisdictions.

40. OVERVIEW OF THE RESTRUCTURING PLAN (continued)

b. The Plan is based upon a fundamental analysis of forecast earnings (taking into account current performance and market forecasts) and having regard to each of the creditors' relative positions including security rights, vessel earnings, currency and stipulated requirements.

c. The Plan relies on key assumptions such as the availability of additional working capital, the successful completion of restructuring initiatives, market growth assumption, future sale of assets, renewal of aging chemical tankers and increasing fleet size by time chartering.

d. The key drivers of improved performance on the forecast are changing better than expected freight rates and/or lower bunker prices.

e. On the basis that the improved Earnings Before Interests Tax Depreciation and Amortization ("EBITDA") is achieved, a proposal for sharing of the surplus cash among the creditors (to amortize debt), while retaining sufficient cash for important capital expenditure initiatives (fleet replenishment) had been developed. A cash flow waterfall will be implemented based upon the payments to be made as stated in the Restructuring Plan.

f. A cash sweep shall be implemented semi-annually with respect to surplus cash after payments on the cash flow waterfall are made and the working capital facility is fully paid. The cash sweep enables additional principal repayments to be applied to the outstanding balance (in reverse order) with respect to outstanding secured and unsecured creditors and allocation to a capital expenditures reserve on a pro-rata basis as stated in the Restructuring Plan.

g. Key observations from such assumptions and analysis include; (i) secured creditors will be paid substantially quicker by Year 6; (ii) liabilities to unsecured creditors are amortized substantially over the 10-year period commencing Year 3; (iii) the capital expenditure reserve is expected to build up to allow fleet replenishment primarily from cash reserves; and (iv) no capital expenditure requirements in Years 1 to 5.

h. The key principles underpinning the restructuring of the Group's debt are set out as follows:

- Secured creditors will retain 100.0% of their principal debt which will all be denominated in US$ or Rp (as the case may be except for the MLA Lenders whose debt shall at all times remain denominated in US$) with repayments extended up to 10 years in line with the earnings of their vessels;

- Interest rate margins will remain in accordance with original debt facilities but will reflect US$ or Rp cost of the funds;

- The Company and any of the secured creditors may, by mutual consent, convert the currency of their principal debt at any time;

- Unsecured creditors will retain 100.0% of their principal debt, with a bullet repayment in Year 10;

- Interest rates are increased over time in line with forecasts and available funds with interest rates for both Rp and US$ denominated debt reflecting an appropriate currency differential;

- Trade suppliers will receive payments up to 80.0% of the outstanding amounts over 5 years; and

- Fund-raising of a certain amount during the 10-year period.

40. OVERVIEW OF THE RESTRUCTURING PLAN (continued)

i. The outstanding amount to each of the secured and unsecured creditors voted on the Plan (the Plan Creditors) for the purposes of the PKPU is determined by reference to the List of Fixed Receivables (PKPU Creditor List) confirmed by the Supervisory Judge on December 5, 2012 or any subsequent, amended or revised List of Fixed Receivables confirmed by the Supervisory Judge (except for certain lease creditors who have agreed or will agree with the Company to have the value of their claim determined by an independent adjudicator). Where there is insufficient cash to pay a quarterly installment of interest or principal owing to a secured creditor, that secured creditor may, in its discretion, by notice in writing to the Company, agree to add the amount of that installment to the next quarterly installment rather than demand immediate payment.

j. A summary of the revised proposed terms for unsecured creditors are as follows:

- Interest payments are subject to a maximum LTV (Loan To Value) of 100.0% on the MLA Lenders' loan facility whereby (Loan To Value) LTV is determined based on the value of the collateralized vessels mortgaged to the MLA Lenders ("LTV Test"); and

- Unsecured creditors shall not be entitled to call an event of default for any non-payment of interest occurring at the earlier of April 1, 2017, or until such time as the LTV on the MLA Lenders' facility is 70.0% or less, whichever is earlier.

- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company with estimated fair value of US$ 23.3 million or 3,955,764,202 shares.

- Equity in the Company equivalent to a total of 316,461,136 shares or estimated value of US$ 1.9 million will be issued to the holders of the US$ 48.9 million Guaranteed Convertible Bonds and US$ 125 million 12.0% Guaranteed Convertible Bonds for the conversion rights to be given up by the bond holders.

k. Upon approval of the Restructuring Plan by the Court, the Company will obtain recognition of the Restructuring Plan and the PKPU process under Chapter 15 of the United States Bankruptcy Code. The subsidiaries of the Company which have taken out applications under Section 210 (10) of the Companies Act intend to present schemes of arrangement to give effect to the principal and relevant terms of this Restructuring Plan in respect of that particular subsidiary, provided that the MLA Lenders support this course of action. Where necessary, the Relevant Subsidiaries of the Company which successfully put in place schemes of arrangement under Section 210 of the Companies Act intend to obtain recognition of those schemes under Chapter 15 of the United States Bankruptcy Code.

l. The Company and the Plan Creditors agree to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents as may be required by law or as may be necessary to implement and/or give effect to the Restructuring Plan and the transactions contemplated thereby. For the avoidance of doubt, the MLA Lenders are not considered to be the Restructuring Plan Creditors. They will enter into a separate term sheet and definitive restructuring documentation with the borrower and guarantors of the MLA facility with terms and provisions that are consistent with the provisions of this Plan.

40. OVERVIEW OF THE RESTRUCTURING PLAN (continued)

ING Bank N.V. is also not considered to be a Plan Creditor. It will enter into a separate term sheet and definitive restructuring documentation with obligors of SBLC with terms and provisions that are consistent with the provisions of this Plan while MLOR, which is a creditor of the Company, will not receive any payments under the Restructuring Plan without the completion of a separate transaction pursuant to BULL'S restructuring to deal with its claims and security. For as long as the Company's obligations under this Restructuring Plan remain outstanding, the Company undertakes that it shall not do certain things as stipulated in the Restructuring Plan.

m. Without prejudice to the foregoing, the Company and the Plan Creditors (except the Lease creditors, Other unsecured creditors, trade creditors and intercompany creditors, as those terms are used) may agree to execute and deliver (or procure the execution and delivery of) such documentation as may be necessary under relevant law to record, amend and/or restate the terms and conditions governing each of the debts owed by the Company and/or its subsidiaries to the relevant Plan Creditor such that those terms and conditions are consistent and do not conflict with any of the terms of the Plan and the transactions contemplated hereby, including without limitation one or more voluntary consent solicitations or mandatory exchange offers in accordance with applicable law, including, without limitation, the US$ Bonds term sheet and the documentation contemplated thereunder (the "Definitive Documentation"). An event of default may only arise under the Restructuring Plan and/or Definitive Documentation as a result of a breach of the express terms of the Restructuring Plan itself and not additional terms set out in any Definitive Documentation (excluding for the purposes of this provision, any and all Definitive Documentation relating to the US$ Bonds).

The Company, its relevant subsidiaries and the US$ Bondholders are in the process of entering into a term sheet with respect to the US$ Bonds, setting out certain terms on which the Company, its relevant subsidiaries and the US$ Bondholders expect to restructure the terms of the indebtedness owed (actually or contingently) by the Company and its relevant subsidiaries to the US$ Bondholders under the US$ Bonds outside of the PKPU proceedings pursuant to the separate documents implementing the restructuring of the actual and contingent indebtedness of the Company and its relevant subsidiaries to the US$ Bondholders. The terms and provisions of the US$ Bonds term sheet will be consistent with the provisions of this Restructuring Plan and the Company undertakes to enter into the US$ Bonds term sheet and any and all other documentation contemplated thereunder and to take all steps reasonably necessary to make such documentation effective as soon as practicable following the approval of this Restructuring Plan. The Restructuring Plan also governs requirements adhered to in the Definitive Documentation.

n. The Company and/or its subsidiaries shall be required to fulfill its obligations under this Agreement only insofar as such approvals and consents as may be necessary have been obtained (and have not been withdrawn or amended) from such regulatory or supervisory authorities as may be necessary, including without limitation, the SGX, IDX, OJK or the shareholders of the Company or of BULL, subsequent to the Plan being approved by the Jakarta Court.

40. OVERVIEW OF THE RESTRUCTURING PLAN (continued)

o. Upon the approval of the Restructuring Plan by the Plan Creditors and the Jakarta Court, any further amendment to the Restructuring Plan will be subject to approval by at least 50.0% in number and 66.7% in value of the aggregate outstanding debt of two classes (secured and unsecured) of Plan Creditors, at such time as such secured and unsecured Plan Creditors vote, provided, however, that:

- Any amendment purporting to include the MLA Lenders and ING Bank N.V. as a Plan Creditor (except by reason of the MLA Lenders and ING Bank N.V.) shall require the written consent of the MLA Lenders or ING Bank N.V.;

- For so long as any amount of indebtedness remains owing to the MLA Lenders, any amendment to certain sections in the Plan shall require the written consent of the MLA Lenders;

- An amendment or waiver to certain sections in the Plan to the rights or obligations of the SBLC Bank, the earnings account of "Gas Bangka", the earnings of "Gas Bangka" or of any security held by ING Bank N.V. to secure the SBLC Facility may not, so long as any actual or contingent liability remains under the SBLC Facility, be effected without the consent of ING Bank N.V.; and

- No amendment shall be made to the terms described in relation to the US$ Bondholders or to any other term which would affect any such other agreements and documents as agreed between the Company and the US$ Bondholders without the specific written consent of the US$ Bondholders.

Despite the Company's efforts and commitment to fully implement the aforementioned debt restructuring, a number of events had impeded a successful implementation of the Restructuring Plan, including:

- a delayed market recovery in the shipping market as compared to the forecast set out in the Restructuring Plan;

- a lack of bank financing and investor appetite available for the industry resulting in difficulty in obtaining the fundraising envisaged under the Restructuring Plan;

- inability to obtain approval from the relevant regulatory authorities in Indonesia for the issuance of new shares set out in the Restructuring Plan; and

- the risk of delisting by the IDX due to the Company's substantial capital deficiency.

In view of the various factors above, the Company had to undertake a further restructuring of the Group's obligations under the MLA Facility and the Restructuring Plan.

On April 22, 2015, the Company negotiated a consensual arrangement with the MLA Lenders relating to the restructuring of the MLA Facility ("MLA Restructuring"), and signed a binding term sheet and a restructuring support agreement ("RSA") with, among others, the MLA Lenders (Note 17). The MLA Restructuring avoided enforcement over all assets which were then secured in favor of the MLA Lenders and retained as much value as possible for the Company and its stakeholders.

The amendments to the PKPU Plan ("PKPU Amendment Plan") was proposed and approved by the requisite majority creditors of both secured and unsecured creditors of the Group on August 14, 2015. The PKPU Amendment Plan received unanimous approval from the Company's secured creditors and the approval of a majority representing 64.67% in number and 86.64% in value of the Group's unsecured creditors.

40. OVERVIEW OF THE RESTRUCTURING PLAN (continued)

The key principles underpinning the Proposed Restructuring under PKPU Amendment Plan are set out below:

a) The agreed terms under MLA Restructuring, which include:

- The Group shall transfer the MLA Assets to NewCo in return for forgiveness of all debts outstanding under that MLA Facility.
- The MLA Lenders shall release or procure the release of the following assets to the Group: (i) Teekay JV and Buana which are secured to MLA Lenders under the MLA Facility Documents; (ii) US$ 9.2 million cash collateral and Gas Bangka, which are posted as security under the ING Standby Letter of Credit Facility; and (iii) cash refund of up to 50% of the fees and expenses incurred by the MLA Lenders pursuant to this Proposed Restructuring.
- The MLA Lenders shall issue the following assets to the Group: (i) NewCo Warrants to purchase up to 10% equity in NewCo which are subject to dilution by a market-based management incentive program and any future issuance of equity securities by NewCo; and (ii) NewCo Preferred Equity Interest amounting to US$ 10.0 million to be received in equal annual installments over 5 years;

b) The Surya family has committed to procure a cash injection of US$ 10.0 million into the Group for working capital or business development purposes in exchange for additional share capital in the Company.

One of the key components of the PKPU Amendment Plan is the issuance by the Company of up to 11,673,084,196 new Shares (“New BLT Shares”) (equivalent to approximately 45% of the enlarged share capital of the Company after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion) for distribution on a pro rata basis to the unsecured creditors and up to 259,401,872 new Shares (“New CB Shares”) (equivalent to approximately 1% of the enlarged share capital of the Company after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion) for distribution to the Convertible Bondholders, subject to the necessary corporate and regulatory approvals being obtained (“Proposed Debt-Equity Swap Share Issuance”). The commercial terms of the Proposed Debt-Equity Swap Share Issuance were arrived at after arm’s length negotiations with the unsecured creditors.

Under the IDX listing rules, within twelve (12) months of the date of the listing of the New BLT Shares and the New CB Shares on the IDX, the unsecured creditors shall be subject to a mandatory lock-up period, and accordingly, shall not sell or dispose of any of the New BLT Shares or New CB Shares.

Under the PKPU Amendment Plan, the PKPU creditors agreed to the following:

a) Secured creditors

- principal amortization from the date of approval of the PKPU Amendment Plan to March 31, 2017 is subject to the cash available in the respective secured creditor’s earnings account;
- mandatory principal amortization shall commence from April 1, 2017 onwards with 32 equal quarterly installments in accordance with the Restructuring Plan;
- interest shall be accrued and paid on a quarterly basis commencing April 1, 2015 in accordance with the the Restructuring Plan; and
- no accelerated repayment from cash sweep.

40. OVERVIEW OF THE RESTRUCTURING PLAN (continued)

b) Unsecured creditors

- Full debt for equity swap of principal debt. Unsecured Creditors will collectively receive and hold 47% new equity of the enlarged share capital of the Company (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion), comprising:

  - The issuance of new shares consisting of up to 11,673,084,196 shares equivalent to 45% of the enlarged share capital of the Company (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion); and

  - A transfer of 2% of the total shares held by Surya family (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion).

    In each case, distributed on a pro rata basis among the Unsecured Creditors based on the principal debt outstanding.

- The HY Bondholders retains security over the Teekay JV and Buana for their interest payments for the period April 1, 2015 to March 31, 2017 of up to US$ 8.6 million ("HY Interest"). The Group will pay the HY Interest to the HY Bondholders as follows:

  - US$ 1.0 million within five (5) business days of the closing of the PKPU Amendment Plan; and
  - the balance of the HY Interest in accordance with the Restructuring Plan.

    Subject to an acceleration of payments in reduction of outstanding HY Interest by way of an allocation of 50% of all dividends received from Teekay JV.

- In addition to their allocation of the New BLT Shares and the transfer of 2% shared held by Surya Family, the Convertible Bondholders will, in aggregate, also be given an additional 1% equity stake in the enlarged share capital of BLT (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion), consisting of up to 259,401,872 shares, which is consistent with the Restructuring Plan as consideration for their forfeiture of their conversion rights.

- The Unsecured Creditors to hold, on a pro rata basis, an interest in Buana and Nevaeh through a structure that would deliver the economic benefit of those assets to the Unsecured Creditors.

- Waiver of all interest capitalized.

c) Trade creditors

- Trade creditors will retain 50% of their outstanding debt balance and will be paid over 5 years.

40. OVERVIEW OF THE RESTRUCTURING PLAN (continued)

d) Intercompany Creditors

- No payments to any Intercompany Creditor, as defined in the Restructuring Plan, or satisfaction of any intercompany claim with any Intercompany Creditors until (i) all existing secured creditors are repaid in full, and (ii) the aggregate value of the 48% equity interest held by the Unsecured Creditors, including their successors and nominees, exceeds the total outstanding claims of US$ 1.1 billion.

- Intercompany Creditors will not exercise their voting rights in the PKPU Amendment Plan or otherwise assert or make any claims upon Company in any manner whatsoever; and

- Intercompany claims owned by BULL and/or BULL Subsidiaries, as defined in the Restructuring Plan, shall be paid in priority to other intercompany claims.

Based on Extraordinary General Meeting of Shareholders notarized under deed No. 5 dated November 17, 2015 of Firdhonal, SH, notary in Jakarta, the Company obtained approval from the existing Shareholders for the Proposed Debt-Equity Swap Share Issuance and Proposed Issuance of MCS (Note 41).

On December 1, 2015, MLA Restructuring has been successfully completed.

In connection with the capital increase arising from the conversion of debt-equity (debt to equity), the Company has amended the articles of association to increase the authorized capital, issued and fully paid as stated in the deed No. 16 dated November 23, 2015 of Firdhonal, S,H., Notary in Jakarta. This amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia on December 6, 2015.

The Company announced the implementation of the proposed debt-to-equity conversion on December 15, 2015 and effectively applied on December 31, 2015.

41. MANDATORY CONVERTIBLE SECURITIES

Pursuant to PKPU Amendment Plan, the Surya family has committed to procure a cash injection of US$ 10.0 million into the Group for working capital or business development purposes in exchange for additional share capital in the Company.

On October 9, 2015, the Group entered into MCS subscription agreement with PT Elang Megah Inti, a third party investor, for the proposed allocation and issuance of MCS to PT Elang Megah Inti for a consideration of US$ 10.0 million.

Pursuant to the agreement, the aggregate number of conversion shares shall not exceed 2,456,869,565 shares (“Proposed Issuance of MCS”). The Proposed Issuance of MCS will result in PT Elang Megah Inti holding approximately up to 9.5% of the enlarged share capital of the Company after both the Proposed Debt-Equity Swap Share Issuance and the MCS conversion.

Based on Extraordinary General Meeting of Shareholders notarized under deed No. 5 dated November 17, 2015 of Firdhonal, SH, notary in Jakarta, the Company obtained approval from the existing Shareholders for the Proposed Debt-Equity Swap Share Issuance and Proposed Issuance of MCS.

42. FINANCIAL INSTRUMENTS

a. Capital risk management

Since the ratification of the Restructuring Plan, the primary objective of the Group's capital risk management has been to ensure the availability of the Group's working capital to run its operations and restructuring initiatives in accordance with the Restructuring Plan.

The Group manages its capital structure and makes adjustments to it, to cope with the changes in economic conditions. Currently, the Group manages its capital by regularly monitoring its working capital requirements in accordance with the PKPU Amendment Plan. As of December 31, 2015 and 2014, the Group has negative working capital and in deficit position. As such, the Group will continuously apply cost-cutting and restructuring initiatives to review and monitor its capital expenditure.

b. Categories of financial instruments

Financial assets

	2015	2014
	US$'000	US$'000
Cash on hand and in banks	10,314	23,945
Trade receivables - third parties	2,407	17,654
Other receivables - third parties *)	2,103	3,847
Derivative financial asset	23,392	-
AFS financial assets	18,059	21,459
Other non-current assets	85	140
Restricted cash	-	9,168
Total	**56,360**	**76,213**

**) excluding preferred redeemable equity interest*

Financial liabilities

	2015	2014
	US$'000	US$'000
Trade accounts payable	10,010	30,353
Accrued expenses	8,278	18,184
Loans payable	31,358	727,456
Bonds payable	-	238,751
Obligations under finance lease	-	181,020
Other payables	12,342	251,902
Notes payable	-	382,135
Provision	-	7,113
Other current liabilities	249	3,615
Total	**62,237**	**1,840,529**

42. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies

The Group's financial risk management policies seek to ensure that adequate financial resources are available for the operation and development of its business while managing its exposure to foreign exchange risk, interest rate risk, credit risk, fuel risk and liquidity risk. The Group's financial risk management policies are as follows:

Foreign exchange (non-functional currency) risk management

The entities in the Group conduct their respective businesses in currencies other than their functional currencies primarily in rupiah, Singapore dollar, Japanese yen, Chinese renminbi and euro. Foreign currency exposures and fluctuations have material impact on the Group's consolidated financial statements.

The entities in the Group have the policy to manage foreign exchange risks so as to maximize profits. The Group has practices that include the periodic review of the impact of movements in foreign exchange rates on profitability so that the Group can take action to mitigate these risks.

The significant financial monetary assets and liabilities in foreign currencies of the Group are as follows:

		2015		2014	
	Currency	Foreign currencies	Equivalent to US$	Foreign currencies	Equivalent to US$
		'000	US$'000	'000	US$'000
Assets					
Cash on hand and in banks	Rp	3,600	261	1,032,250	83
	SGD	20	14	337	255
	JPY	361	3	-	-
	EUR	9	13	42	51
Trade receivables - third parties	Rp'000	1,807	131	-	-
	EUR	821	1,218	1,033	1,257
	SGD	7	5	7	5
AFS financial assets	RMB	48,482	7,548	60,034	9,811
Total			**9,193**		**11,462**
Liabilities					
Trade accounts payable	Rp	2,083	151	1,281,320	103
	SGD	877	622	676	512
	JPY	2,891	24	16,024	133
	EUR	1,109	1,644	1,549	1,884
Loans payable	Rp'000	192,772,212	13,974	305,414,440	24,551
	JPY	-	-	1,848,916	15,346
Bonds payable	Rp'000	-	-	1,143,920,200	91,955
Obligations under finance lease	JPY	-	-	16,383,101	135,780
Other payables	JPY	-	-	853,855	7,087
	SGD	-	-	1,431	1,085
	GBP	-	-	5,411	8,426
Total			**16,415**		**286,862**

42. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Foreign exchange (non-functional currency) risk management (continued)

The summary of the carrying amounts of the Group's significant financial monetary assets and monetary liabilities denominated in currencies other than US$ as at reporting date is as follows:

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
	US$'000	US$'000	US$'000	US$'000
Rupiah	392	14,125	83	116,609
Yen	3	24	-	158,346
Singapore dollar	19	622	260	1,597
Euro	1,231	1,644	1,308	1,884
RMB	7,548	-	9,811	-
GBP	-	-	-	8,426
Total	**9,193**	**16,415**	**11,462**	**286,862**

The following table details the Group's sensitivity analysis to changes in US$ against the above currencies. The sensitivity rates below are used when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at year end for the change in foreign currency exchange rates. A positive number below indicates an increase in profit and equity where the above currencies strengthen at certain percentage against the US$. For the same percentage of weakening of the above currencies against the US$, there would be an equal and opposite impact on profit and equity.

	2015		2014	
	Sensitivity rate	Effect on profit or loss and equity	Sensitivity rate	Effect on profit or loss and equity
		US$'000		US$'000
Rupiah	7%	(103)	7%	(8,157)
Singapore dollar	2%	(12)	3%	(40)
Yen	3%	(0.6)	7%	(11,084)
Euro	4%	(17)	4%	(23)
RMB	3%	226	1%	98
GBP	-	-	2%	(169)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year-end exposure does not reflect the exposure during the year.

42. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Interest rate risks management

The Group is also exposed to interest rate risk as it also borrows funds in rupiah and US$ at floating interest rates. Pursuant to the Restructuring Plan, the Group does not enter into borrowings not governed by or permitted under the Restructuring Plan.

The Group's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

The sensitivity analysis below has been determined based on the exposure to interest rate changes as at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

As of December 31, 2015, the Group's significant exposure to the risk of changes in market interest rates relates primarily to secured creditors while as of December 31, 2014, it relates primarily to MLA. The following table summarizes the impact on income before income tax of reasonable movement in interest rates:

	2015		2014	
	Basis point	Effect on net income before tax	Basis point	Effect on net income before tax
		US$'000		US$'000
Increase	50	(1,284)	50	2,843
Decrease	(50)	1,284	(50)	(2,843)

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instrument classified as fixed rate is fixed until the maturity of the instrument and is therefore not subject to interest rate risk.

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rate while enabling benefits to be enjoyed if interest rates fall.

Pursuant to the Restructuring Plan, the Group undertakes not to incur any further financial indebtedness or issue or give any guarantee or indemnity except as permitted by the Restructuring Plan or incurred in the ordinary course of trading of a vessel.

Credit risk management

The Group's exposure to credit risk is primarily attributable to cash in banks, restricted cash, trade receivables, other receivables, other non-current assets, derivative financial asset and AFS financial assets.

In determining the credit terms for customers, the management considers the following factors: (i) the financial strength of the customer, (ii) the customer's historical payment record, (iii) the length of the relationship with the customer and (iv) the distance or duration of a specific voyage. Based on these factors, the Group's credit terms may vary. The credit terms may also be modified based on negotiations with each customer. It is the Group's policy to monitor the financial standing of these receivables on an on-going basis to ensure that the Group is exposed to a minimal credit risk. Cash in banks and investments are placed only in credit worthy financial institutions.

42. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Credit risk management (continued)

The carrying amounts of the above-mentioned financial assets recorded in the consolidated financial statements represent the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

Credit quality of financial assets

The credit quality of financial assets is managed by the Group using high quality and standard quality as internal credit ratings.

High Quality. Pertains to counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal.

Standard Quality. Other financial assets not belonging to high quality financial assets are included in this category.

The credit quality of the Group's financial assets follows:

	2015				
	Neither past due nor impaired		Past due		
	High quality	Standard quality	but not impaired	Impaired	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash in banks	10,074	-	-	-	10,074
Trade receivables - third parties	113	-	2,294	2,438	4,845
Other receivables - third parties *)	-	2,103	-	-	2,103
Derivative financial asset	-	23,392	-	-	23,392
AFS financial assets	-	18,059	-	-	18,059
Other non-current assets	-	85	-	-	85
Total	**10,187**	**43,639**	**2,294**	**2,438**	**58,558**

**) excluding preferred redeemable equity interest*

	2014				
	Neither past due nor impaired		Past due		
	High quality	Standard quality	but not impaired	Impaired	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash in banks	23,850	-	-	-	23,850
Restricted cash	9,168	-	-	-	9,168
Trade receivables - third parties	9,535	-	8,119	5,685	23,339
Other receivables - third parties	-	3,847	-	4,122	7,969
AFS financial assets	-	21,459	-	-	21,459
Other non-current assets	-	140	-	-	140
Total	**42,553**	**25,446**	**8,119**	**9,807**	**85,925**

Fuel risk management

The Group's earnings are affected by changes in the price of bunker fuel. The strategy for managing the risk on fuel price aims to provide its protection against sudden and significant increase in bunker fuel prices. In meeting these objectives, the fuel management program allows for the prudent use of approved instruments such as bunker swaps with approved counterparties and within approved credit limits.

42. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Fuel risk management (continued)

As part of the Group's Restructuring Plan, the Group consistently monitors bunker consumption with ship managers and implement bunker savings controls such as bunker management software to track bunker consumption.

The Group manages this risk by monitoring the bunker prices and entering into forward contracts to hedge against fluctuations in bunker price, if considered appropriate.

Liquidity risk management

The Group's liquidity requirements mainly come from repayments of interest on bank loans, notes payable, bonds and other payables. The liquidity problems faced by the Group arose from its failure to fulfill contractual obligations to make timely repayments of such debts.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date of which the Group can be required to pay. The table includes both interest and principal cash flows.

Financial liabilities

	2015				
	Less than three months	Three months to one year	More than one year to five years	Greater than five years	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Trade accounts payable	10,010	-	-	-	10,010
Accrued expenses	8,278	-	-	-	8,278
Loans payable	776	2,497	21,579	20,768	45,620
Other payables	396	1,189	3,757	188,260	193,602
Other current liabilities	249	-	-	-	249
Total	**19,709**	**3,686**	**25,336**	**209,028**	**257,759**

	2014				
	Less than three months	Three months to one year	More than one year to five years	Greater than five years	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Trade accounts payable	30,353	-	-	-	30,353
Accrued expenses	18,184	-	-	-	18,184
Loans payable	12,762	76,677	385,895	401,199	876,533
Bonds payable	-	5,388	41,727	347,499	394,614
Obligations under finance lease	12,710	38,874	167,321	10,654	229,559
Other payables	246	5,865	18,820	374,062	398,993
Notes payable	-	3,230	28,966	527,943	560,139
Provision	7,113	-	-	-	7,113
Other current liabilities	3,615	-	-	-	3,615
Total	**84,983**	**130,034**	**642,729**	**1,661,357**	**2,519,103**

The Group manages liquidity risk by maintaining reserves, banking facilities, and equity financing; by continuously monitoring forecast and actual cash flows; and by matching the maturity profiles of its financial assets and liabilities.

42. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Financial liabilities (continued)

On January 26, 2012, the Company decided to temporarily cease repayment of all the Company's bank loans, bonds payable, payment on ship leases and on similar obligations of its other subsidiaries, except for BULL, to enable the Group to review its financial position and arrangements (Note 39).

In March 2013, the Group's Restructuring Plan was ratified by the Court. The Restructuring Plan sets out the restructuring term sheet and repayment plans to respective creditors to finance and repay the debts. The repayment schedule of significant liabilities of the Group was restructured over a 10-year period (Note 40).

In August 2015, the Group's restructuring plan was further amended through the required voting standard set in the restructuring plan. The repayment schedule of secured creditors and trade creditors of the Group was restructured over a 10-year period and a 5-year period, respectively (Note 40).

d. Fair value of financial instruments

The quantitative disclosures of fair value measurement hierarchy of financial assets and liabilities are as follows:

	2015			
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	US$'000	US$'000	US$'000	US$'000
Financial assets				
Cash on hand and in banks	-	10,314	-	10,314
Trade receivables - third parties	-	2,407	-	2,407
Other receivables - third parties *)	-	2,103	-	2,103
Derivative financial asset	-	23,392	-	23,392
AFS financial assets	-	-	18,059	18,059
Other non-current assets	-	85	-	85
Total	**-**	**38,301**	**18,059**	**56,360**

**) excluding preferred redeemable equity interest*

Financial liabilities				
Trade accounts payable	-	10,010	-	10,010
Accrued expenses	-	8,278	-	8,278
Loans payable	-	31,358	-	31,358
Other payables	-	12,342	-	12,342
Other current liabilities	-	249	-	249
Total	**-**	**62,237**	**-**	**62,237**

42. FINANCIAL INSTRUMENTS (continued)

d. Fair value of financial instruments (continued)

	2014			
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	US$'000	US$'000	US$'000	US$'000
Financial assets				
Cash on hand and in banks	-	23,945	-	23,945
Restricted cash	-	9,168	-	9,168
Trade receivables - third parties	-	17,654	-	17,654
Other receivables - third parties	-	3,847	-	3,847
AFS financial assets	-	-	21,459	21,459
Other non-current assets	-	140	-	140
Total	**-**	**54,754**	**21,459**	**76,213**
Financial liabilities				
Trade accounts payable	-	30,353	-	30,353
Accrued expenses	-	18,184	-	18,184
Loans payable	-	727,456	-	727,456
Bonds payable	-	238,751	-	238,751
Obligations under finance lease	-	181,020	-	181,020
Other payables	-	251,902	-	251,902
Notes payable	-	382,135	-	382,135
Provision	-	7,113	-	7,113
Other current liabilities	-	3,615	-	3,615
Total	**-**	**1,840,529**	**-**	**1,840,529**

The carrying values of cash on hand and in banks, restricted cash, trade receivables, other receivables, other non-current assets, trade accounts payable, accrued expenses, provision and other current liabilities approximate their fair values because of their short-term nature. Derivative financial asset is carried at fair value based on the significant observable data. Available for sale financial assets are carried at book value since fair value cannot be readily determined based on observable market data. The carrying value of loans payable, bonds payable, obligations under finance lease, notes payable and other payables are discounted using prevailing market interest rates with similar terms to these financial liabilities.

The following table provides valuation analysis methods of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

In 2015 and 2014, there were no transfers between Level 1 and 2 fair value measurements and no transfers into and out of Level 3 fair value measurement.

42. FINANCIAL INSTRUMENTS (continued)

d. Fair value of financial instruments (continued)

Reconciliation of fair value measurement for AFS financial assets

	2015		
	SVL	NL	Total
	US$'000	US$'000	US$'000
Beginning balance	11,648	9,811	21,459
Impairment loss	(1,137)	(2,263)	(3,400)
Ending balance	**10,511**	**7,548**	**18,059**

	2014			
	BULL	SVL	NL	Total
	US$'000	US$'000	US$'000	US$'000
Beginning balance	23,791	28,999	9,811	62,601
Creditor's execution of pledged shares	(23,398)	-	-	(23,398)
Impairment loss	-	(17,351)	-	(17,351)
Foreign exchange loss	(393)	-	-	(393)
Ending balance	**-**	**11,648**	**9,811**	**21,459**

Collateral

The Group has pledged three of its fixed assets vessels to various loans. As of December 31, 2015, the fair value of fixed assets vessels pledged amounted to US$ 7.4 million (Note 13).

43. NON-CASH TRANSACTIONS

The Group entered into non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows, with details as follows:

- In 2015, the Group's restructuring plan was amended. Significant liabilities of the Group were settled through transfer of assets, conversion into shares and remodification of the terms of the loans. As a result, the Group recognized gain amounting to US$ 213.4 million.
- In 2015, Teekay BLT Corporation declared a dividend, of which portion of dividend received by BLT LNG Tangguh amounting to US$ 0.8 million was applied as payment for the Group's loans from Teekay Corporation (Note 12).
- In 2015, the Group recognized an impairment loss on its AFS investments amounting to US$ 3.4 million.
- In 2015 and 2014, the Group recognized share on profit from its investments in associates and JV amounting to US$ 7.0 million and US$ 3.9 million, respectively.
- In 2015, the Group had written off the value of equity assigned to the creditor pursuant to the 2013 Restructuring Plan amounting to US$ 25.2 million.

43. NON-CASH TRANSACTIONS (continued)

- In 2014, the Group sold vessels for the payment of loans amounting to US$ 6.4 million (Notes 13 and 17).

- In 2014, Teekay BLT Corporation declared dividend of US$ 87.1 million, of which BLT LNG Tangguh's portion amounted to US$ 26.1 million and that was all applied as payments for the Group's loans to Teekay BLT Corporation and Teekay Corporation (Note 12).

- As a result of the Group's reconciliation of the amount due to BULL, gain on restructuring was recognized in the 2014 profit or loss amounting to US$ 22.5 million.

44. GOING CONCERN

Since the global financial crisis in 2010, the reduction in industrial production capabilities and oversupply of newly built vessels resulted in a reduction of freight volume and rates, ultimately throwing the global shipping industry in a state of turmoil. Under persistently poor shipping market conditions and increasing operating costs, the Group faced numerous challenges to run the business and to fulfill its financial obligations as it suffered recurring losses ever since.

As such, on January 26, 2012, the Company declared a debt standstill on the payment of its financial obligations, including all of the Company's bank loans, bonds payable, payment on vessels leases and on similar obligations of its other subsidiaries other than BULL to help assess the impact of these events and to establish a financial reorganization of the Group. Following the debt standstill announcement, events of default were declared by creditors and one of the Company's creditors, Mandiri, filed PKPU to the Central Jakarta Commercial Court against the Company on June 14, 2012 in relation to its debt.

On March 14, 2013, the Restructuring Plan was approved by the Company's creditors and ratified by the Central Jakarta Commercial Court on March 22, 2013 as described in Note 40. The Group is required to get the recognition in the United States of the Indonesian PKPU proceedings, pursuant to Chapter 15 of the United States Bankruptcy Code and Singapore Court. On May 21, 2013, the US Court granted recognition of the Indonesian PKPU proceedings as foreign main proceedings.

The Company had implemented substantially all of the initiatives under the Restructuring Plan. However, despite the Company's efforts and commitment to fully implement the aforementioned debt restructuring, a number of events had impeded a successful implementation of the Restructuring Plan, including:

a. a delayed market recovery in the shipping market as compared to the forecast set out in the Restructuring Plan;

b. a lack of bank financing and investor appetite available for the industry resulting in difficulty in obtaining the fundraising envisaged under the Restructuring Plan;

c. the failure to obtain approval from the relevant regulatory authorities in Indonesia for the issuance of new shares set out in the Restructuring Plan; and

d. the risk of delisting by the IDX due to the Company's substantial capital deficiency.

44. GOING CONCERN (continued)

On May 11, 2015, the Company proposed amendments to the Restructuring Plan (PKPU Amendment Plan) which was approved by the requisite majority creditors of both secured and unsecured creditors of the Group on August 14, 2015 (Note 40). As of the issuance date of the consolidated financial statements, the Company has completed substantially all initiatives under the approved PKPU Amendment Plan including, among others:

a. The Company filed an application under Chapter 15 of the US Bankruptcy Code and obtained the order granting comity to the Restructuring plan on January 8, 2015 (Note 39).

b. The Singapore High Court approved and sanctioned the schemes of arrangement of all the Relevant Subsidiaries on August 17, 2015 (Note 39).

c. On October 9, 2015, the Group entered into MCS subscription agreement with PT Elang Megah Inti for the proposed allocation and issuance of MCS to PT Elang Megah Inti for a consideration of US$ 10.0 million (Note 41).

d. The Company obtained approval from the existing shareholders for the Proposed Debt-Equity Swap Share Issuance and Proposed Issuance of MCS (Note 41) based on Extraordinary General Meeting of Shareholders notarized under deed No. 5 dated November 17, 2015 of Firdhonal, SH, notary in Jakarta.

e. MLA restructuring has been successfully completed on December 1, 2015.

f. Approval from the Ministry of Law and Human Rights of the Republic of Indonesia in respect of the increase in authorized capital and issued capital of the Company (Note 24) for the purpose of implementation of the conversion of the Company's unsecured debts into shares on December 6, 2015.

g. Approval from IDX on new shares listing application (11,932,486,068 shares) of the Company on January 8, 2016.

Following the substantial completion of all initiatives under the approved PKPU Amendment Plan of the Company, the Group saw an improvement in its operational and financial performance as the Group realized a gross profit of US$ 63.6 million in 2015 and US$ 54.7 million in 2014. The Group also realized income before interest and tax of US$ 258.5 million in 2015 and US$ 52.9 million in 2014. The 2015 net income mainly came from gain on extinguishment of debt, gain on debt restructuring, and foreign exchange gain. Nevertheless, the Group continued to have negative working capital and deficit due to the significant recurring losses over the past years.

Management recognizes that the Group's continuation as a going concern is dependent upon its ability to generate sufficient cash flows to meet its obligations on a timely basis, to comply with the terms and conditions of the PKPU Amendment Plan and to attain successful operations to improve the position of the Group's working capital and deficit.

As part of the Group's continuing efforts to respond to and manage any possibility for adverse effects arising from the above-mentioned economic and business conditions, the Group is undertaking and is continuously implementing the following measures, among others:

a. Continues implementation of the approved PKPU Amendment Plan.

b. Recalibration of business strategy and fleet composition by focusing to operate in South East Asia where the Group is well-positioned to take advantage of the anticipated improvements and thriving Indonesian cabotage market with our strong history as an international ship owner operator, good relationship with the various oil majors and expertise in the chemical and gas industry.

44. GOING CONCERN (continued)

c. Increase the fleet through purchase and charters as and when possible and commercially viable.

d. Remain focused on maintaining an efficient cost structure by continuous review of its capital expenditure, working closely with all ship managers to ensure the maintenance of fleet is carried out efficiently and having a lean and effective workforce.

e. Effect changes in its personnel to maintain an effective workforce for the future. Redundant departments and personnel will be streamlined in order to achieve a cohesive and productive team.

Despite the current uncertain economic outlook, management believes that the Group will be able to fulfill its obligations under the PKPU Amendment Plan, execute its strategies and manage its business and financial risks successfully. The Group's management also believes that the Group has adequate resources to continue its operational existence in the foreseeable future. Accordingly, the Group continues to adopt the going concern assumption in preparing the consolidated financial statements.

The consolidated financial statements do not include any adjustments that might result from the outcome of the uncertainty disclosed above.

45. DECONSOLIDATION OF CB2

Effective December 1, 2015, the Company deconsolidated all the assets and liabilities of CB2. The audited balances of CB2 on the date of transfer to MLA were as follows:

	US$'000
ASSETS	
CURRENT ASSETS	
Cash on hand and in banks	5,819
Trade receivable - third parties	11,167
Other receivable - third parties	28
Inventories	4,547
Advances	5,782
Prepaid expenses and taxes	1,113
TOTAL CURRENT ASSETS	**28,456**
NON-CURRENT ASSETS	
Fixed assets	179,163
TOTAL ASSETS	**207,619**
LIABILITIES AND EQUITY	
CURRENT LIABILITIES	
Trade accounts payable	5,403
Due to related parties	4,027
Accrued expenses	7,592
Obligations under finance lease	160,463
TOTAL LIABILITIES	**177,485**
EQUITY	
Revaluation reserve	23,938
Retained earnings	6,196
TOTAL EQUITY	**30,134**

45. DECONSOLIDATION OF CB2 (continued)

The Group has consolidated the results of operations of CB2 for the eleven-month period ended November 30, 2015 as follows:

	US$'000
OPERATING REVENUES	134,702
VOYAGE EXPENSES	(70,748)
OPERATING REVENUES AFTER VOYAGE EXPENSES	**63,954**
Vessel depreciation and ship operating expenses:	
Vessel depreciation	(9,629)
Ship operating expenses	(2,493)
GROSS PROFIT	**51,832**
Administrative expenses	(371)
Foreign exchange gain - net	3,842
Other gains - net	278,908
INCOME BEFORE INTEREST AND TAX	**334,211**
Finance cost	(16,673)
INCOME BEFORE INCOME TAX	317,538
Income tax expense	-
NET INCOME	**317,538**

46. EVENTS AFTER THE FINANCIAL REPORTING PERIOD

a. On January 8, 2016, new shares listing application (11,932,486,068 shares) of the Company has been approved by IDX.

b. On January 11, 2016, IDX announced that both the Company's bonds with code BLTA03, BLTA04B and BLTA04C, and SUKUK with code SIKBLTA02A, SIKBLTA02B and SIKBLTA01B have been due on January 12, 2016 as implementation of the PKPU Amendment Plan and these bonds will be delisted in IDX effective on January 12, 2016.

c. Following the appeal filed by IDR bondholders on September 15, 2015, to the Supreme Court (Note 39), the Supreme Court has again rejected the plaintiffs' lawsuit on January 27, 2016.

d. On March 29, 2016, the Group purchased another two vessels using the purchase option agreement which thereafter, the preferred redeemable equity interest has been fully utilized.

47. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of the consolidated financial statements that were completed and authorized for issue on April 29, 2016.