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Offering Circular dated 19 January 2015

Gallant Venture Ltd.

(incorporated with limited liability under the laws of the Republic of Singapore)
(Company registration number: 200303179Z)

U.S.$500,000,000

Euro Medium Term Note Programme

On 15 November 2013, Gallant Venture Ltd. established a Euro Medium Term Note Programme with a programme limit of U.S.$500,000,000 and prepared an offering circular dated 15 November 2013. This Offering Circular supersedes all previous offering circulars and any supplement thereto. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. The provisions described herein do not affect any notes issued under the Programme prior to the date of this Offering Circular.

Under the Euro Medium Term Note Programme described in this Offering Circular (the "**Programme**"), Gallant Venture Ltd. ("**Gallant**", the "**Issuer**" or the "**Company**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the "**Notes**"). The aggregate principal amount of Notes outstanding will not at any time exceed U.S.$500,000,000 (or the equivalent in other currencies), subject to increases as described herein.

The Notes may be issued by the Issuer on a continuing basis to one or more of the Dealers appointed under the Programme from time to time (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the establishment of the Programme and application will be made to the SGX-ST for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed and quoted on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. Unlisted Notes may also be issued pursuant to the Programme and Notes may also be listed on stock exchanges other than SGX-ST. The relevant Pricing Supplement (as defined herein) in respect of any issue of Notes will specify whether or not such Notes will be listed on the SGX-ST or on any other stock exchange. There is no assurance that an application to the Official List of the SGX-ST for the listing of the Notes will be approved. Approval in-principle from, admission to the Official List of, and listing and quotation of any Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries (together with the Issuer, the "**Group**" or the "**Gallant Group**"), the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular.

The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**").

The Notes of each Series to be issued in bearer form will be sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933 (the "**Securities Act**") and will initially be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**") or a permanent global note in bearer form (each a "**permanent Global Note**" and, together with the temporary Global Notes, the "**Global Notes**"). Interests in temporary Global Notes generally will be exchangeable for interests, in whole or in part, in permanent Global Notes, or if so stated in the relevant Pricing Supplement, definitive Notes ("**Definitive Notes**"), after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche of Notes, upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for Definitive Notes in whole but not in part as described under "*Summary of Provisions Relating to the Notes while in Global Form*".

Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. The Notes of each Series to be issued in registered form and which are sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by a permanent global certificate (each a "**Global Certificate**") without interest coupons. The Global Notes and Global Certificates may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), with a common depositary on behalf of Euroclear and Clearstream, Luxembourg or, in the case of a Series of Notes intended to be cleared through The Central Depository (Pte) Limited ("**CDP**"), with, and registered in the name of, CDP and (b) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, Luxembourg and/or CDP or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States. Registered Notes are subject to certain restrictions on transfer, see "*Subscription and Sale*".

In relation to any Tranche, the aggregate principal amount of the Notes of such Tranche, the interest (if any) payable in respect of the Notes of such Tranche, the issue price and any other terms and conditions not contained herein which are applicable to such Tranche will be set out in a Pricing Supplement which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of issue of the Notes of such Tranche.

Unless otherwise stated in a relevant Pricing Supplement, Tranches of Notes to be issued under the Programme will be unrated.

An investment in Notes issued under the Programme involves certain risks. Prospective investors should have regard to the factors described under the heading "Risk Factors" in this Offering Circular.

This Offering Circular is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC.

Arranger

DBS Bank Ltd.

Dealers

CIMB Bank Berhad **DBS Bank Ltd.** **Standard Chartered Bank**

The Issuer, having made all reasonable enquiries, confirms that the statements contained in this Offering Circular relating to the Issuer and the Group are true and accurate in all material respects and are not misleading in any material respect, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make any statement in this Offering Circular misleading in any material respect. The Issuer accepts responsibility accordingly.

Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" as amended and/or supplemented by a document specific to such Tranche called a pricing supplement (a "**Pricing Supplement**"). This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated by reference in this Offering Circular (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Circular.

No person is or has been authorised by the Issuer to give any information or to make any representation other than those contained in this Offering Circular and the relevant Pricing Supplement in connection with any issue or sale of Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, any Dealer, the Trustee or any Agent (as defined in this Offering Circular).

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation of the Issuer or the Group or (ii) should be considered as a recommendation by the Issuer, the Arranger, any of the Dealers, the Trustee or any of the Agents that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should subscribe for or purchase any Notes. This Offering Circular does not take into account the objectives, financial situation or needs of any potential investor or purchaser. Each potential investor or purchaser of Notes should make its own independent investigation of the Programme, the Notes and the financial condition and affairs of the Issuer and the Group, and its own appraisal of the creditworthiness of the Issuer and the Group. Each potential investor or purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its subscription or purchase of Notes should be based upon such investigation as it deems necessary.

Neither the delivery of this Offering Circular nor any offering, sale or delivery of any Notes made in connection herewith shall, under any circumstances, create any implication that there has been no change in the Issuer's or the Group's affairs since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the Issuer's or the Group's financial position since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. The Issuer, the Arranger, the Dealers, the Trustee and the Agents do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealers, the Trustee or any of the Agents which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published, in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular comes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore and Japan (see "*Subscription and Sale*").

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of bearer Notes, delivered within the United States. The Notes are being offered and sold outside the United States in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Offering Circular, see *"Subscription and Sale*".

Neither this Offering Circular nor any Pricing Supplement constitutes an offer of, or an invitation by or on behalf of the Issuer, the Arranger, the Dealers, the Trustee or any of the Agents to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Arranger, the Dealers, the Trustee or any of the Agents accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arranger, any Dealer, the Trustee or any Agent or on their behalf in connection with the Issuer, or the issue and offering of any Notes. Each of the Arranger, the Dealers, the Trustee and each of the Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

None of the Arranger, any Dealer, the Trustee or any Agent undertakes to review the Issuer's financial condition or affairs during the life of the arrangements contemplated by this Offering Circular nor to advise any investor of any information coming to the attention of any of them.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in Notes of a particular issue. Each potential investor or purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the relevant Pricing Supplement are provided as general information only. Investors should consult their own financial, tax, accounting, legal or other advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.

In making an investment decision, investors must rely on their own examination of the Issuer and the Group and the terms of the Notes being offered, including the merits and risks involved. None of the Issuer, the Arranger, any Dealer, the Trustee or any Agent makes any representation to any investor regarding the legality of its investment under any applicable laws. Investors should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "Singapore" are to the Republic of Singapore, to the "U.S." and "United States" are to the United States of America, to the "EU" are to the European Union, to "S$" or "Singapore Dollars" are to the lawful currency of Singapore, to "U.S. Dollars" or "U.S.$" are to the lawful currency of the United States, to "£" or "Sterling" are to pound sterling, to "€" or "Euro" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended and to "Rp" Or "Rupiah" are to the lawful currency of the Republic of Indonesia.

All references to "Group" and "Gallant Group" herein are to the Issuer and its subsidiaries. Unless otherwise indicated, all references to "Government" herein are references to the government of the Republic of Singapore. Unless otherwise indicated, references in this Offering Circular to a "Condition" are to the conditions set out in "Terms and Conditions of the Notes".

Figures in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown for the same item of information may vary and figures which are totals may not be an arithmetic aggregate of their components.

Stabilisation

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws, regulations and rules.

Forward-Looking Statements

This Offering Circular includes forward-looking statements regarding, amongst other things, the Issuer's and the Group's business, results of operations, financial conditions, cash flow, future expansion plans and business strategy. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "could", "believes", "estimates", "intends", "expects", "forecasts", "if", "may", "plans", "possible", "probable", "projects", "will", "would" or "should" or, in each case, their negative or other variations or comparable terminology. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Circular and include statements regarding the Issuer's intentions, beliefs or current expectations concerning, among other things, the Issuer's or the Group's results of operations, financial condition, liquidity, cost measures, expected industry trends, projections of capital expenditures in general and other financial items, anticipated completion of proposed plans, planned expansion and whether the Group can successfully execute, manage and/or implement it, prospects, growth, strategies and the industries in which the Issuer or the Group operates.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Issuer cautions investors that forward-looking statements reflect the Issuer's and/or the Group's current views with respect to future events and are not guarantees of future performance of the Issuer and/or the Group and that their actual business operations, results of operations, financial condition, net sales, revenues, cash flow, profitability, liquidity, capital resources and prospects and the development of the industries in which they operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Circular. These forward-looking statements are based on the beliefs and assumptions of the Issuer and/or the Group, which in turn are based on currently available information. Although the Issuer and/or the Group believe that the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. In addition, even if the Issuer's or the Group's business operations, results of operations, financial condition, net sales, revenues, cash flow, profitability, liquidity, capital resources and prospects and the development of the industries in which the Issuer or the Group operate are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer or persons acting on its behalf may issue. The Issuer and its related corporations, directors, officers, executives and employees disclaim any responsibility to review or confirm analysts' expectations or estimates or to update any forward-looking statements or release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Offering Circular, subject to compliance with any applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency.

The following list includes some, but not necessarily all, of the factors that may cause actual results to differ from those anticipated or predicted:

- the Issuer's and the Group's business operations, results of operations, financial condition, net sales, revenues, cash flow, profitability, liquidity, capital resources, operating strategies and prospects;
- the business opportunities, including acquisition and investment opportunities, that the Issuer and the Group may pursue;
- the Issuer's and the Group's use of derivative instruments such as forwards, futures, non-deliverable forwards, swap and options contracts and other similar transactions;
- changes in currency exchanges rates and interest rates;
- the Issuer's and the Group's capital expenditure plans;
- availability of financing and the Issuer's and the Group's existing indebtedness;
- the outlook of the industry and markets in which the Issuer and the Group operates and developments in those markets;

- changes in political, economic, legal and social conditions in countries where the Issuer and the Group carry on business;
- changes in competitive conditions and the ability of the Issuer and the Group to compete under these conditions;
- the performance of the obligations and commitments of the Issuer's and the Group's joint venture partners under any existing and future joint venture agreements; and
- other factors beyond the Issuer's and the Group's control.

Investors should read the factors described in the "*Risk Factors*" section of this Offering Circular to better understand the risks and uncertainties inherent in the Issuer's business and underlying any forward-looking statements.

Any forward-looking statements that the Issuer makes in this Offering Circular speak only as at the date of this Offering Circular, and the Issuer and its related corporations, directors, officers, executives and employees disclaim any responsibility to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, and should only be viewed as historical data.

This Offering Circular may include market and industry data and information that have been obtained from, *inter alia*, internal studies and publicly available information such as government statistical and industry reports, and industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but the accuracy and completeness of that information is not guaranteed, and may contain other disclaimers in relation to reliance on their contents. There can therefore be no assurance as to the accuracy or completeness of such information. While reasonable steps have been taken to ensure that the information is extracted accurately, the Issuer and its related corporations, directors, officers, executives and employees have not independently verified any of the data from third party sources or ascertained the underlying bases or assumptions relied upon therein, nor have the consents of these sources been obtained for the inclusion of such data or information in this Offering Circular.

Financial Statements

The Issuer has prepared audited consolidated financial statements as at and for the two years ended 31 December 2012 and 31 December 2013 and reviewed consolidated financial information as at and for the nine-month periods ended 30 September 2013 and 30 September 2014.

The audited consolidated financial statements as at and for the years ended 31 December 2012 and 31 December 2013 and the unaudited consolidated financial information of the Issuer as at and for the nine-months ended 30 September 2014 (including comparative data as at and for the nine-months ended 30 September 2013) are included in this Offering Circular and are prepared in conformity with Singapore Financial Reporting Standards ("**SFRS**") issued by the Accounting Standards Council of Singapore. See *"Index to Financial Statements*" and "*Summary Financial Information*".

Documents Incorporated by Reference

This Offering Circular should be read and construed in conjunction with (i) each relevant Pricing Supplement, (ii) the most recently published audited consolidated annual financial statements and any interim financial statements (whether audited or unaudited) published subsequently to such annual financial statements of the Issuer and the IMAS Group (as defined below) from time to time (if any), in each case with the report of the auditors in connection therewith (if any), and (iii) all amendments and supplements from time to time to this Offering Circular, each of which shall be deemed to be incorporated by reference in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of all such documents which are so deemed to be incorporated by reference in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays and public holidays excepted) from the specified office of the Issuing and Paying Agent, currently as set out at the end of this Offering Circular.

Supplementary Offering Circular

The Issuer has given undertakings to the Arranger that if the Issuer has notified the Arranger and the Permanent Dealers (as defined below) in writing that the Issuer intends to issue Notes under the Programme, the Issuer shall prepare and publish an amendment or supplement to this Offering Circular for use in connection with such subsequent offering of the Notes if a significant new factor shall have arisen, or a material mistake or inaccuracy shall have arisen relating to information contained in this Offering Circular which is capable of affecting an assessment by investors of the assets and liabilities, financial position, profits and losses of the Issuer and/or the Group taken as a whole and/or the prospects of the Group taken as a whole such that it would reasonably be expected to have a material adverse effect on the financial condition or results of operations of the Group taken as a whole and/or of the rights attaching to the Notes.

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SUMMARY OF THE GROUP

Overview

The Company was incorporated in Singapore on 7 April 2003 as a private company limited by shares. It was converted into a public company in April 2006 and its shares were listed on the SGX-ST Dealing and Automated Quotation System ("**SGX-Sesdaq**") in June 2006. In June 2007, the listing and quotation of the Company's shares were transferred from SGX-Sesdaq to the Main Board of the SGX-ST.

The Company is an investment holding company headquartered in Singapore with businesses in Singapore, Indonesia and the People's Republic of China ("**PRC**"). As at 31 December 2014, the Company had a market capitalisation of approximately S$1.21 billion.

Prior to 2010, the Group's investments focused mainly in Batam and Bintan in Indonesia, located near Singapore across the Singapore Straits. The Group operates the Batamindo Industrial Park and the Bintan Industrial Estate in Batam and Bintan, respectively, where the Group is the private provider of certain utilities to these industrial parks and Bintan Resorts in Bintan. The Group also provides overall support facilities and services to resorts located in Bintan Resorts.

The Group's property development activities in Bintan are focused in the northern and western parts of Bintan where it owns approximately 18,200 ha of resort and industrial land and acts as the master planner for industrial park and resort development opportunities in Bintan Industrial Estate and Bintan Resorts, respectively.

Pursuant to an opportunity presented to the Group to participate in the property business in the PRC, in 2010, the Company invested in U.S.$202.5 million principal amount of notes (the "**MS Notes**") issued by Market Strength Limited ("**Market Strength**") at par with 202,500,000 detachable warrants (the "**MS Warrants**"). The proceeds from the issue of the MS Notes with the MS Warrants to the Company were utilised by Market Strength in connection with its acquisition of an interest in the residential and commercial property development located in Lao Xi Men, Huangpu District, Shanghai, PRC ("**Shanghai Property Project**").

In May 2013, the Group acquired a 52.35 per cent. stake in PT Indomobil Sukses Internasional Tbk ("**IMAS**"), a company listed on the Indonesian Stock Exchange ("**IDX**") (the "**IMAS Acquisition**"). As required under the relevant Indonesian laws and regulations, the Company conducted a mandatory tender offer (the "**IMAS Tender Offer**") for certain IMAS shares which were not held by the Company and this resulted in the Group's shareholding interest in IMAS increasing to 71.49 per cent. IMAS and its subsidiaries (the "**IMAS Group**") is an integrated automotive business group which is one of the two largest automotive groups in Indonesia. The Company intends to, *inter alia*, enter into placement arrangements to place out some or all IMAS shares tendered in acceptance of the IMAS Tender Offer. As at 31 December 2014, IMAS had a market capitalisation of approximately Rp11.06 trillion (approximately S$1.18 billion).

In December 2013, PT Indomobil Multi Jasa Tbk ("**IMJ**"), a subsidiary of IMAS, was listed on the IDX. IMJ, together with its subsidiaries which include PT Indomobil Finance Indonesia ("**IMFI**") and PT CSM Corporatama ("**CSMC**"), are engaged in the business of vehicle financing and vehicle rental. As at 31 December 2014, IMJ had a market capitalisation of approximately Rp3.03 trillion (approximately S$320 million). As at 31 December 2014, the percentage shareholding of IMAS in IMJ is 89.6 per cent.

For FY2011, FY2012, FY2013 and 9M2014 (unaudited), the Group's consolidated net revenues were approximately S$203.4 million, S$204.2 million, S$1,854.7 million and S$l,671.5 million, respectively, and the Group posted profits attributable to shareholders of approximately S$8.3 million, S$11.2 million, S$47.5 million and a loss attributable to shareholders of S$19.7 million, respectively. As at 31 December 2013 and 30 September 2014 (unaudited), the Group had net tangible assets of approximately S$2.0 billion and S$2.0 billion, respectively.

Business Strategies

Build a diversified investment portfolio with primary focus in Indonesia.

The Company is an investment holding company which aims to maximise shareholders' value. Its strategy is to build a diversified portfolio with primary focus in Indonesia. The Group intends to continue to build on and leverage upon its core competencies, in-depth domain knowledge in Indonesia and strong shareholder support to broaden and strengthen its market reach. The Group aims to establish a strong investment portfolio that diversifies investment risk and volatility while delivering long-term returns to its shareholders. The Group intends to explore investment and/or divestment opportunities, if any, that may arise from time to time. Announcements will be made as and when necessary.

Capitalise on growth opportunities in the Indonesian automotive market.

The Group believes that there are growth prospects for the Indonesian automotive market and seeks to position the Group to capitalise on these growth prospects. Based on data from the Association of Indonesian Automotive Industries (Gabungan Industri Kendaraan Bermotor Indonesia or Gaikindo), the number of passenger cars and commercial vehicles sold in Indonesia in 2013 increased by 11.0 per cent. to 1,218,961 units compared to 2012, and the number of passenger cars and commercial vehicles sold in Indonesia in the nine months ended 30 September 2014 increased by 1.68 per cent. to 896,654 units compared to the nine months ended 30 September 2013. The Group intends to capitalise on these growth opportunities through the following strategies:

- *Increase market share for existing brands*.

  The Group targets to achieve a gradual increase in the market share in Indonesia for both *Nissan* in the passenger car segment, and *Volvo* and *Renault* trucks in the European heavy-duty trucks segment, while maintaining *Hino's* market share in Indonesia for the Japanese medium and heavy-duty trucks segment.

- *Increase production and sale of low-cost and fuel-efficient cars.*

  In a bid to support the production of low-cost green cars, the Indonesian government introduced new regulations which offer tax breaks and incentives to manufacturers of small, fuel-efficient cars. The Group intends to manufacture and sell more low-cost, fuel-efficient cars, such as the *Datsun Go* and the *Datsun Go+*, which are being produced in Indonesia by PT Nissan Motor Indonesia ("**NMI**") (a joint venture company with Nissan Motor Company Ltd. in which the IMAS Group holds a 25.0 per cent effective interest).

- *Grow the car financing business of the Group.*

  IMFI provides vehicle financing for the purchase of motorcycles, passenger cars, commercial vehicles and heavy equipment and machinery. As the financing arm of the IMAS Group, IMFI has access to a captive market for financing cars, trucks and heavy equipment which are sold by the IMAS Group. The Group plans to increase the proportion of its vehicle sales that are financed through IMFI.

- *Grow the car rental, transportation and logistics businesses of the Group.*

  Through CSMC and its subsidiaries (collectively, "**Indorent**"), the Group focuses on providing long-term vehicle rental, fleet management, transportation and logistics services to corporate customers in various industries such as banking and finance, consumer goods, logistics and distribution, manufacturing, oil and mining, telecommunications and pharmaceutical, throughout Indonesia. Indorent plans to expand its fleet size as well as the range of transportation and logistics services provided by it.

- *Increase the ancillary income of the Group.*

  The Group also seeks to increase the ancillary income derived from products and services that it offers to its customers, including after-market services and spare parts and commission from the sale of vehicle insurance underwritten by third parties.

- *Expand the Group's heavy-duty trucks and equipment business.*

  The Group's heavy-duty trucks and heavy equipment business segment generates a higher gross margin compared to the Group's passenger cars business segment. Heavy-duty trucks and equipment generate a high volume of after-market services and spare parts business for the Group, as its customers require these trucks and equipment to be available for use on a 24/7 basis. The Group plans to increase the range of heavy equipment which it sells to provide a more comprehensive range of heavy equipment for the mining and construction industries. In line with the growth in business, the Group also plans to increase the hiring and training of skilled mechanics to service the products sold.

Enhance facilities and infrastructure in the Group's industrial parks and utilities businesses.

The Group intends to continue to develop its facilities and infrastructure in its industrial parks and utilities businesses to achieve better returns. The Group is exploring alternative energy sources which will enable the Group to provide electricity at more competitive rates, including through the construction of coal-fired power plants. Through the Group's facilities improvements in its industrial parks, including improved transportation, residential and supporting infrastructure, the Group seeks to offer a stronger platform as it competes for tenants with other industrial parks in the region.

Develop Lagoi Bay to be an attractive vacation destination.

The Group is the master planner and developer of the Lagoi Bay development. The Lagoi Bay development is designed to complete the continuum of resort facilities on the northern coast of Bintan. The Group aims to develop Lagoi Bay as a mixed-use development offering a variety of tourism, resort and residential accommodation and commercial and recreational facilities. The Lagoi Bay development will include sites for sea-facing resort developments, residential sites, lakeside condominiums and the Lagoi Beach Village. The Lagoi Beach Village will feature a pedestrian mall and land plots that are suitable for the development of boutique hotels, retail shops and food and beverage outlets. The mall has been substantially completed and construction work for related infrastructure (such as roads, landscaping and pedestrian walkway) is ongoing. The mall is targeted for opening in the first half of 2015. The Lagoi Bay development will include power, potable water, telecommunications, sewer lines and all sites will be served by road access to all of its sites.

The Group believes that Lagoi Bay will represent a milestone for property development in Bintan, as it has the potential to give Singapore-based and other investors an alternative to more established vacation home markets such as Bali, Phuket and Singapore, where prices are significantly higher and have risen dramatically in recent years.

Participate in the property business in the PRC.

In 2010, the Group invested in the MS Notes and MS Warrants of Market Strength. Upon the exercise of the MS Warrants, the Group will effectively hold an indirect 47.7 per cent. interest in the Shanghai Property Project, making the Group the single largest investor in the Shanghai Property Project. If and when the Group exercises the MS Warrants for an equity interest in the Shanghai Property Project, it will acquire interests in a prime Shanghai property. The Shanghai Property Project is a mixed-use development with residential and commercial spaces which are integrated with the local train network. With rapid developments in the area and its close proximity to Xin Tian Di (新天地), the Shanghai Property Project hopes to integrate with the neighbouring developments by offering high end residential units. The Group intends to maximise yield from the Shanghai Property Project and exit, partially or otherwise, upon completion of the Shanghai Property Project. The Group intends to reinvest cash generated from the Shanghai Property Project in other ventures in the region.

Competitive Strengths

Extensive automotive distribution and vehicle financing networks in Indonesia.

The IMAS Group has one of the most extensive automotive distribution networks in Indonesia with an aggregate of 204 retail branches in Indonesia as at 30 September 2014. Indonesia is an archipelago spanning over 5,000 kilometres from west to east, rendering the availability of spare parts and after-sales service across the country critical in supporting higher vehicle sales penetration. As at 30 September 2014, the IMAS Group supplied either original manufacturers' parts or "IndoParts" compatible spare parts to more than 7,000 outlets across Indonesia.

For *Nissan* passenger cars, the IMAS Group is the authorised retailer in Indonesia through its 103 retail branches as at 30 September 2014, which gives it control over the marketing and sales of the cars, and assists in ensuring the absence of any price under-cutting among different retail branches. For heavy-duty trucks and equipment, the IMAS Group establishes on-site workshops at its customers' sites and provides trained mechanics to staff them as an integral part of its after-sales service. As at 30 September 2014, the IMAS Group's heavy-duty trucks and equipment operations had 21 retail branches and 39 on-site workshops in Indonesia.

The IMAS Group also has an extensive vehicle financing network in Indonesia. As at 30 September 2014, the IMAS Group's vehicle financing operations had 80 branches and 133 outlets in Indonesia. In addition, IMFI (the IMAS Group's subsidiary through which the IMAS Group provides vehicle financing services in Indonesia) cooperates with more than 2,000 dealerships throughout Indonesia.

As at 30 September 2014, Indorent had 16 service points providing vehicle rental, fleet management, transportation and logistics services across Indonesia.

Integrated automotive distribution platform with a wide range of products and services.

The IMAS Group offers an integrated automotive distribution platform in Indonesia. The IMAS Group's 204 retail branches as at 30 September 2014 offer a wide range of services, including after-sales service with original manufacturers' parts. Through IMFI, the IMAS Group provides financing for vehicle purchases, for both motorcycles and cars. Under "IndoParts", the IMAS Group supplies after-market parts to third-party outlets across Indonesia. The IMAS Group also provides ancillary products and services through its retail branches, such as vehicle insurance underwritten by third parties, car accessories and assistance with car registration. The IMAS Group's businesses in different segments of the distribution chain provide it with the opportunity to enhance earnings across the distribution chain.

The IMAS Group has received multiple awards for the vehicles sold by the IMAS Group over the years. Its *Nissan* dealership ranked at number two in JD Power Asia Pacific's 2010 Sales Satisfaction Index and at number three in JD Power Asia Pacific's 2010 Customer Service Index in Indonesia. In addition, the IMAS Group's models received accolades such as being the best vehicles in their respective categories from Otomotif Awards 2010 for *Audi A4* and *Volkswagen Golf GTI,* Autobild Awards 2010 for *Audi Q5, Volkswagen Golf GTI* and *Nissan Teana,* Mobil Motor Awards 2010 for *Nissan Teana* (including being named Car of the Year 2010) and *Nissan X-Trail,* Car & Tuning Guide Awards 2010 for *Nissan X-Trail, Volkswagen Touran* and *Audi R8-V10* and Autocar Indonesia Reader's Choice Awards 2010 for *Nissan Grand Livina, Volkswagen Golf TSI* and *Audi Q5*. In 2010, IMFI was also recognised as one of 2010's "Excellent" multi-finance companies in Indonesia with assets over Rpl trillion by the Infobank Magazine.

In 2011, the IMAS Group was named by Forbes Indonesia as one of the top ten big companies (being companies with sales over U.S.$1 billion). This award is based on several indicators, namely the consistency of a company's operating income in the last five years, sales for the last five years, the increase in stock prices in the last year, and growth in the earnings per share of a company in the last three to five years. Additionally, the following vehicle models of the IMAS Group received accolades for being the best vehicle model in their respective categories:

Award	**Vehicle Model**
Target Car Best Buys Awards	*Nissan Navara, Volkswagen Golf TSI, Volkswagen Touran, Audi Q5*
Otomotif Award 20 years	*Nissan March, Nissan NP 300, Nissan Grand Livina, Volkswagen Golf TSI*
Car & Tuning Guide Magazine Awards 2011	*Nissan Juke, Volkswagen Touran*
Mobil Motor Indonesia Car of The Year 2011	*Nissan Juke, Nissan Grand Livina, Volkswagen Touran TSIAT*
Autobild Indonesia Award 2011	*Nissan Juke, Infiniti FX, Volkswagen Golf TSI AT and Audi A6*

In 2012, the IMAS Group was named by Investor Magazine as the best public company in various industry sectors. Additionally, the following vehicle models of the IMAS Group received accolades for being the best vehicle model in their respective categories:

Award	**Vehicle Model**
Autocar Indonesia Readers Choice Awards 2012	*Nissan March, Nissan Juke, Audi A6, Volkswagen Golf TSI, Volvo XC 60*
Otomotif Award 2012	*Nissan March, Nissan Elgrand, Nissan Juke, Nissan Murano, Audi A4, Volkswagen Golf TSI*
Target Car Best Buys Awards	*Nissan March, Audi A6, Volkswagen Golf TSI, Volkswagen Touran, Nissan Juke, Nissan Frontier Navara*

In 2013, IMAS was named by Fortune Indonesia magazine as one of Indonesia's 20 most admired companies. Additionally, the following vehicle models of the IMAS Group received accolades for being the best vehicle model in their respective categories:

Award	**Vehicle Model**
Car Mall Car Buyers Guide 2012-2013	*Nissan Grand Livina, Nissan Evalia, All New Nissan Serena, Nissan Juke*
Otomotif Award 2013	*Nissan Evalia, All New Nissan Serena, Nissan Elgrand, Nissan Juke*
Autocar Indonesia Reader's Choice Awards 2013	*Nissan Evalia, Nissan Juke, Volkswagen Golf*
Target Car Best Buys Awards 2013	*Nissan Juke, Volkswagen Touran, Audi A6*

In 2014, IMAS was named by Bisnis Indonesia as one of the best listed companies in the miscellaneous industry sector. Additionally, the following vehicle models of the IMAS Group received accolades for being the best vehicle model in their respective categories:

Award	Vehicle Model
Otomotif Award 2014	*New Nissan Evalia, All New Nissan Serena, Nissan Juke*
Autocar Readers Choice Awards 2014	*Nissan Evalia, Audi RS4 Avant, Nissan Juke*
Car Lifestyle Award 2014	*Nissan All New Grand Livina, Nissan Juke, Volkswagen New Golf TSI*
Wow Product in Automotive IIMS 2014	*Hino Ranger, Datsun GO+ Panca, All New Nissan X-Trail*
Indonesia Car of the year Award 2014	*Nissan Juke RX, Nissan X-Trail 2.5 CVT, Nissan Teana 2.5 XV, All New Nissan X-Trail 2.5 CVT*
Autobild Award 2014	*Nissan March, Nissan Teana, Nissan Evalia, Nissan Elgrand, Nissan Juke, All New Nissan X-Trail*

Strong and long-standing relationship with its automotive manufacturer principals.

The Group has long-standing relationships with many of its automotive manufacturer principals, such as *Nissan, Volvo Trucks* and *Hino* which date back at least two decades. Through its strength in the distribution and sale of passenger cars and commercial vehicles in Indonesia, the Group offers its principal partners an understanding of local consumers' needs and wants, an established industry track record and distribution network, and close cooperation in the hiring and training of skilled technicians and other employees.

In the area of manufacturing, the Group has collaborated with its principal partners. Due to the automotive industry tax structure in Indonesia, automotive manufacturers establish manufacturing and/or assembly operations in Indonesia to assemble Completely-Knocked-Down ("**CKD**") vehicles. CKD vehicles benefit from significantly lower import duty compared to Completely-Built-Up ("**CBU**") vehicles, and as such have lower selling prices. The Group owns an effective interest of 25.0 per cent. in the assembly operations for *Nissan* passenger cars and a 10.0 per cent. interest in the assembly operations for *Hino* commercial vehicles in Indonesia. The Group's subsidiary, PT National Assemblers, began assembling in Indonesia the *Audi A6* and the *Volkswagen Golf* in December 2010, and the *Audi A4* in March 2011. The Group has invested in a new assembling plant to accommodate the increasing volume of cars to be assembled due to the introduction of the *Volkswagen Tiguan TSI* and the new *Volkswagen Golf TSI*. The new assembling plant commenced operations in October 2013 and has been fully operational since January 2014. In 2014, the Group's associate company, PT Kyokuto Indomobil Manufacturing Indonesia also inaugurated a new plant in Indonesia for the manufacturing of dump truck bodies and mixers.

Close proximity to Singapore's air and sea transportation hubs.

Bintan and Batam are approximately 45 kilometres ("**km**") southeast and 20 km south of Singapore, respectively. The close proximity to Singapore allows tenants and other occupants in the Group's industrial parks to take advantage of Singapore's well-developed air and sea transportation hubs, including Changi Airport.

Proximity to Singapore benefits many of the customers of the Group's industrial parks who utilise Singapore for transshipment of goods manufactured in the Group's Batam and Bintan industrial parks to their ultimate destinations. Many guests of Bintan Resorts reach the island through the Group's ferry service from Tanah Merah in Singapore, which is conveniently located close to Changi Airport for international travellers to the island.

Quality industrial parks with available skilled, low-cost labour and which benefit from the close economic cooperation between Indonesia and Singapore.

The customers of the Group's industrial parks benefit from the availability in Indonesia of skilled, low-cost labour. In the past, the Indonesian government has supported the migration of workers from other parts of Indonesia to Batam and Bintan to prevent a labour shortage from developing on the islands.

The Group's businesses in Bintan and Batam benefit from the close economic cooperation between Indonesia and Singapore and the signing in 1990 of the agreement between the governments of Indonesia and Singapore on Economic Cooperation in the Framework of the Development of the Riau province, which provides for, among other things, the cooperation of both governments in promoting international investment in tourist resort development and tourist infrastructure in the Riau province of Indonesia (particularly Bintan), investments in

Singapore by Indonesian residents and companies and investments in Indonesia by Singaporean residents and companies and the development of investment projects in the Riau province and Singapore.

As a result of the economic cooperation between Indonesian and Singapore, currently, investors and tenants of the Group's industrial parks in Batam and Bintan may enjoy certain incentives such as preferential duties under the Generalised System of Preferences, the absence of foreign exchange controls in Indonesia as well as the benefit of having 25 per cent. of the total export volume permitted for the domestic market.

Experienced and stable management team.

The Group's executive officers have extensive industry knowledge, management skills and in-depth experience in their respective fields. Many of the Group's executive officers have been with the relevant company in the Group, on average, for more than ten years. This has contributed to efficiency in the Group's operations and execution of its business strategies.

SUMMARY OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Offering Circular. Words and expressions defined in Terms and Conditions of the Notes below or elsewhere in this Offering Circular have the same meanings in this overview.

Issuer	Gallant Venture Ltd.
Description	Euro Medium Term Note Programme.
Programme Limit	Up to U.S.$500,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any time. The Issuer may increase the aggregate principal amount of the Programme in accordance with the terms of the Dealer Agreement.
Arranger	DBS Bank Ltd.
Dealers	CIMB Bank Berhad, DBS Bank Ltd. and Standard Chartered Bank. The Issuer may from time to time appoint dealers either in respect of one or more Tranches or in respect of the whole Programme or terminate the appointment of any dealer under the Programme. References in this Offering Circular to "**Permanent Dealers**" are to the persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Trustee	DB International Trust (Singapore) Limited.
Issuing and Paying Agent	Deutsche Bank AG, Hong Kong Branch.
CDP Paying Agent	Deutsche Bank AG, Singapore Branch.
Registrars	Deutsche Bank Luxembourg S.A. (in respect of Notes other than Notes cleared through CDP) and Deutsche Bank AG, Singapore Branch (in respect of Notes cleared through CDP).
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest and issue price), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Pricing Supplement.
Issue Price	Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes	The Notes may be issued in bearer form only ("**Bearer Notes**") or in registered form only ("**Registered Notes**"). Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "— *Selling Restrictions*" below), otherwise such Tranche will be represented by a permanent Global Note. If the

	D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a temporary Global Note or receipt of any payment of interest in respect of a temporary Global Note.
	Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "**Global Certificates**".
	Registered Notes sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by a Global Certificate.
Clearing Systems	Euroclear, Clearstream, Luxembourg and CDP and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer and the relevant Dealer(s).
Initial Delivery of Notes	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or with CDP. Global Notes and Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Trustee, the Issuing and Paying Agent and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer(s). Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies as may be agreed between the Issuer and the relevant Dealer(s).
Maturities	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued with any maturity as may be agreed between the Issuer and the relevant Dealer(s).
Specified Denomination	Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Fixed Rate Notes	In respect of Fixed Rate Notes, fixed interest will be payable in arrear on such days(s) as may be agreed between the Issuer and the relevant Dealer(s) (as specified in the relevant Pricing Supplement).
Floating Rate Notes	Floating Rate Notes will bear interest determined separately for each Series as follows:
	(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency (as defined in "*Terms and Conditions of the Notes*") governed by an agreement incorporating the 2006 ISDA Definitions, as

	published by the International Swaps and Derivatives Association, Inc.; or (ii) by reference to LIBOR, EURIBOR, SIBOR or SOR (or such other benchmark as may be agreed by the Issuer and the relevant Dealer(s) (as specified in the relevant Pricing Supplement)) as adjusted for any applicable margin. Interest periods will be specified in the relevant Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes may be issued at their principal amount or at a discount to such principal amount and will not bear interest.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in "*Terms and Conditions of the Notes*") will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates ...	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
Redemption of Notes	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies). The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes	Terms applicable to Notes such as high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the Issuer, the Trustee, the Issuing and Paying Agent and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement and any relevant supplemental Offering Circular.
Optional Redemption of Notes	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed or purchased by the Issuer prior to their stated maturity at the Issuer's option (either in whole or in part) and/or at the option of the holders, and if so the terms applicable to such redemption.
Status of Notes	The Notes and the Receipts and Coupons relating to them will constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* without any preference or priority among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

Negative Pledge	See "*Terms and Conditions of the Notes — Covenants — Negative Pledge*".
Covenants	See "*Terms and Conditions of the Notes — Covenants*".
Cross Default	See "*Terms and Conditions of the Notes — Events of Default*".
Early Redemption for Taxation	Except as provided in "*Optional Redemption*" above, Notes will be redeemable at the option of the Issuer prior to maturity for tax reasons. See "*Terms and Conditions of the Notes — Redemption, Purchase and Options*".
Withholding Tax	All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons relating to them shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. The Issuer shall pay such additional amounts as shall result in receipt by the Noteholders, Receiptholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain conditions as set out in the relevant Terms and Conditions. See "*Terms and Conditions of the Notes — Taxation*" below.
Governing Law	The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
Listing and Admission to Trading	Approval in-principle has been obtained from the SGX-ST for the establishment of the Programme and application will be made to the SGX-ST for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed and quoted on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST for the listing of the Notes will be approved. Admission to the Official List of the SGX-ST and listing of and quotation for any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Group, the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. If the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a board lot size of at least S$200,000 (or its equivalent in other currencies). Unlisted Series of Notes may also be issued pursuant to the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series of Notes. The Pricing Supplement relating to each Series of Notes will state whether or not the Notes of such Series will be initially listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be initially listed.
Selling Restrictions	The United States of America, the European Economic Area, the United Kingdom, Hong Kong, Singapore and Japan. See "*Subscription and Sale*".

	For the purposes of Regulation S, Category 1 selling restrictions shall apply unless otherwise indicated in the relevant Pricing Supplement.
Risk Factors	Investing in Notes issued under the Programme involves certain risks.
	The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed in "*Risk Factors*" below.
Credit Rating	Unless otherwise stated in a relevant Pricing Supplement, Tranches of Notes to be issued under the Programme will be unrated.
Use of Proceeds	The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for its and its Subsidiaries' general working capital and other corporate purposes, including but not limited to, the financing of the Group's investments and the repayment of borrowings (if applicable). If, in respect of any particular issue, there is a particular identified use of proceeds other than as provided above, this will be stated in the applicable Pricing Supplement for the Notes.

SUMMARY FINANCIAL INFORMATION

The following tables present selected consolidated financial information and operating data of the Group as at and for the periods indicated. A prospective investor should read the following selected consolidated financial information in conjunction with the Group's historical consolidated financial statements and their related notes included elsewhere in this Offering Circular.

*The selected consolidated financial information as at and for the years ended 31 December 2013, 31 December 2012 and 31 December 2011 has been derived from the Group's consolidated financial statements that have been audited by Foo Kon Tan Grant Thornton LLP included elsewhere in this Offering Circular, and is qualified in its entirety by reference to those consolidated financial statements and notes thereto. The consolidated financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards ("**SFRS**").*

The selected consolidated financial information of the Group set out below as at and for the nine-month periods ended 30 September 2014 and 30 September 2013 has been derived from the unaudited consolidated interim financial statements of the Group included elsewhere in this Offering Circular, and is qualified in its entirety by reference to those consolidated financial statements and the notes thereto. Such consolidated interim financial information has not been audited or reviewed. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of such financial information, the information presented therein would not have been materially different, and investors should not place undue reliance upon them. Results for the interim periods should not be considered indicative of results for any other period or for the full financial year.

Consolidated Statement of Comprehensive Income

The audited consolidated statements of comprehensive income of the Group for FY2011, FY2012 and FY2013 and the unaudited consolidated statement of comprehensive income of the Group for the nine-month periods ended 30 September 2013 ("**9M2013**") and 30 September 2014 ("**9M2014**") are set out below:

	FY2011[(1)]	FY2012[(1)]	FY2013[(1)]	9M2013[(1)]	9M2014[(1)]
		(Audited)		(Unaudited)	
			S$'000		
Revenue	203,367	204,229	1,854,748	1,277,923	1,671,475
Cost of sales	(161,194)	(160,824)	(1,584,052)	(1,117,674)	(1,425,227)
Gross profit	42,173	43,405	270,696	160,249	246,248
Other income	29,611	33,864	102,886	63,640	69,485
General and administrative expenses	(13,405)	(14,506)	(105,980)	(60,369)	(97,673)
Other operating expenses	(25,848)	(23,934)	(113,974)	(80,787)	(113,313)
Share of associate companies' results	744	1,904	7,820	6,630	(22,997)
Finance costs	(15,744)	(18,531)	(75,208)	(46,448)	(92,986)
Profit/(loss) before taxation	17,531	22,202	86,240	42,915	(11,236)
Taxation	(10,927)	(12,430)	(16,043)	(17,397)	(13,369)
Profit/(loss) after taxation	6,604	9,772	70,197	25,518	(24,605)
Other comprehensive (expenses)/income after taxation:					
Items that are/may be reclassified subsequently to profit or loss					
Currency translation difference	(607)	(771)	(106,237)	(82,712)	4,070
Net changes in available-for-sales financial Asset	—	—	(7,191)	(13,620)	(11,164)
Net changes in derivative instrument — net of tax	—	—	7,454	5,113	(1,212)
Share of associate companies' other comprehensive income	—	—	3	—	—
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains/(losses) arising during the period	—	(2,511)	1,279	—	—
Total comprehensive income/(expenses) for the year	5,997	6,490	(34,495)	(65,701)	(32,911)
Profit attributable to:					
Equity holders of the Company	8,284	11,190	47,462	7,024	(19,677)
Non-controlling interests	(1,680)	(1,418)	22,735	18,494	(4,928)
	6,604	9,772	70,197	25,518	(24,605)
Total comprehensive income/(expenses) attributable to:					
Equity holders of the Company	7,731	7,948	(20,854)	(48,151)	(25,881)
Non-controlling interests	(1,734)	(1,458)	(13,641)	(17,550)	(7,030)
	5,997	6,490	(34,495)	(65,701)	(32,911)
EPS (cents)					
Basic	0.34	0.46	1.18	0.19	(0.41)
Diluted	0.34	0.46	1.13	0.18	(0.41)

Note:

(1) The financial statements (including consolidated statement of comprehensive income) of the Group for FY2011 and FY2012 do not include the financial results of the IMAS Group, as IMAS was not a subsidiary of the Company during those periods. IMAS became a subsidiary of the Company following the completion of the IMAS Acquisition on 2 May 2013. The unaudited consolidated statement of comprehensive income of the Group for 9M2013 includes contribution from the IMAS Group from 2 May 2013 to 30 September 2013. As the consolidated statement of comprehensive income of the Group for FY2011 and FY2012 do not take into account the contribution from the IMAS Group, such statement of comprehensive income may not be strictly comparable with the unaudited consolidated statement of comprehensive income of the Group for FY2013, 9M2013 and 9M2014.

Consolidated Statement of Financial Position

The audited consolidated statement of financial position of the Group as at 31 December 2011, 31 December 2012 and 31 December 2013 and the unaudited consolidated statement of financial position of the Group as at 30 September 2014 are set out below:

	As at 31 December 2011[(1)]	As at 31 December 2012[(1)]	As at 31 December 2013[(1)]	As at 30 September 2014[(1)]
		(Audited)		(Unaudited)
		S$'000		
ASSETS				
Non-current assets				
Intangible assets	1,344	3,275	1,269,162	1,269,066
Property, plant and equipment	307,665	283,794	603,671	628,607
Investment properties	232,437	207,280	186,491	170,215
Financing receivable	—	—	346,477	340,548
Associates and investment in stocks	15,454	17,196	193,436	178,725
Deferred tax assets	4,198	3,979	34,780	40,991
Loan receivables	47,500	47,500	47,500	47,500
Notes receivables	279,556	260,459	260,683	260,713
Other non-current assets	37,322	80,986	297,843	258,859
	925,476	904,469	3,240,043	3,195,224
Current assets				
Land inventories	569,681	585,796	597,092	609,470
Other inventories	10,860	11,320	478,534	405,967
Financing receivable	—	—	306,259	388,475
Trade and other receivables	44,993	58,332	426,871	535,188
Cash and bank balances	95,084	66,769	168,363	179,002
	720,618	722,217	1,977,119	2,118,102
Total assets	1,646,094	1,626,686	5,217,162	5,313,326
LIABILITIES				
Non-current liabilities				
Deposits from tenants/golf membership	31,856	30,013	27,819	29,091
Employee benefits liabilities	8,514	11,896	21,647	23,229
Deferred tax liabilities	2,082	1,889	4,575	5,293
Other non-current liabilities	—	11,376	52,312	1,838
Loans and borrowings	177,509	211,933	923,783	703,638
Bond payables	—	—	342,817	582,553
	219,961	267,107	1,372,953	1,345,642
Current liabilities				
Trade and other payables	64,847	44,936	345,002	414,080
Current tax payable	2,974	3,399	16,689	29,809
Loans and borrowings	80,196	27,093	799,744	796,125
Bond payables	—	—	57,857	133,806
	148,017	75,428	1,219,292	1,373,820
Total liabilities	367,978	342,535	2,592,245	2,719,462
EQUITY				
Share capital	1,207,642	1,207,642	1,880,154	1,880,154
Other reserves	(1,461)	(5,080)	16,610	9,366
Retained profits	46,960	58,149	105,611	85,934
Equity attributable to equity holders of the Company	1,253,141	1,260,711	2,002,375	1,975,454
Non-controlling interests	24,975	23,440	622,542	618,410
Total equity	1,278,116	1,284,151	2,624,917	2,593,864
Total liabilities and equity	1,646,094	1,626,686	5,217,162	5,313,326

Note:

(1) The financial statements (including consolidated statement of financial position) of the Group as at 31 December 2011 and 31 December 2012 do not include the consolidated statement of financial position of the IMAS Group, as IMAS was not a subsidiary of the Company as at 31 December 2011 and 31 December 2012. IMAS became a subsidiary of the Company following the completion of the IMAS Acquisition on 2 May 2013. The audited consolidated statement of financial position of the Group as at 31 December 2013 and the unaudited consolidated statement of financial position of the Group as at 30 September 2014 includes consolidation of the IMAS Group's statement of financial position as at 31 December 2013 and 30 September 2014 respectively. As the audited consolidated statement of financial position of the Group as at 31 December 2011 and 31 December 2012 do not include consolidation of the IMAS Group's statement of financial position, such statement of financial position may not be strictly comparable with the audited consolidated statement of financial position of the Group as at 31 December 2013 and the unaudited consolidated statement of financial position of the Group as at 30 September 2014.

Consolidated Statement of Cash Flows

	FY2013[(1)]	9M2014[(1)]
	(Audited)	(Unaudited)
	(S$'000)	
Net cash (used in)/generated from operating activities	(111,413)	451,295
Net cash used in investing activities	(384,853)	(540,837)
Net cash generated from financing activities	599,778	100,181
Net increase in cash and cash equivalents	103,512	10,639
Cash and cash equivalents at beginning of the financial year	66,769	168,363
Effect of currency translation on cash and cash equivalents	(1,918)	—
Cash and cash equivalents at end of the financial year/period	168,363	179,002

Note:

(1) IMAS became a subsidiary of the Company following the completion of the IMAS Acquisition on 2 May 2013. The audited consolidated statement of cash flows of the Group for FY2013 includes consolidation of the IMAS Group's cash flow from 2 May 2013 to 31 December 2013, as such the consolidated statement of cash flows for FY2013 may not be strictly comparable with the unaudited statement of cash flows of the Group for 9M2014 which includes the IMAS Group's cash flow for nine months.

Review of the Financial Performance of the Group

Financial performance review for FY2012 compared to FY2011

Revenue. The Group's revenue increased by approximately S$0.8 million or 0.4 per cent. from approximately S$203.4 million in FY2011 to approximately S$204.2 million in FY2012, as a result of an increase in revenue from its industrial park business, offset by the decrease in revenue from its utilities, resort operations and property development businesses, for the following reasons:

The Group's revenue from its industrial parks business increased by approximately S$22.6 million or 50.1 per cent. from approximately S$44.9 million in FY2011 to approximately S$67.5 million in FY2012 mainly due to sales of industrial land.

The Group's revenue from its utilities business decreased by approximately S$3.5 million or 3.1 per cent. from approximately S$114.7 million in FY2011 to approximately S$111.1 million in FY2012 mainly due to decreased electricity consumption from the industrial park's tenants and lower factory occupancy rate.

The Group's revenue from its property development business decreased by approximately S$17.5 million or 86.0 per cent. from approximately S$20.4 million in FY2011 to approximately S$2.9 million in FY2012 mainly due to fewer land sales recognition.

The Group's revenue from its resort operations business decreased by approximately S$0.5 million or 2.3 per cent. from approximately S$23.8 million in FY2011 to approximately S$23.2 million in FY2012 mainly due to lower revenue generated from its ferry and resorts support services.

Gross profit. The Group's gross profit increased by approximately S$1.2 million or 2.9 per cent. from approximately S$42.2 million in FY2011 to approximately S$43.4 million in FY2012. The Group's gross profit margin also increased from approximately 20.7 per cent. in FY2011 to approximately 21.3 per cent. in FY2012 mainly due to sales of the industrial land.

Other income. The Group's other income increased by approximately S$4.3 million or 14.4 per cent. from approximately S$29.6 million in FY2011 to approximately S$33.9 million in FY2012 mainly due to higher net exchange gain and interest income from external parties.

General and administrative expenses. The Group's general and administrative expenses increased by approximately S$1.1 million or 8.2 per cent. from approximately S$13.4 million in FY2011 to approximately S$14.5 million in FY2012 mainly due to higher professional fees and salary-related expenses.

Other operating expenses. The Group's other operating expenses decreased by approximately S$1.9 million or 7.4 per cent. from approximately S$25.8 million in FY2011 to approximately S$23.9 million in FY2012 mainly due to lower depreciation charges.

Share of associate companies' result. The Group's share of associate companies' result increased by approximately S$1.2 million or 155.9 per cent. from approximately S$0.7 million in FY2011 to approximately S$1.9 million in FY2012 mainly due to equity accounting for the Group's 29.4 per cent. share of the profits of PT Sebuku Iron Lateritic Ores ("**PT SILO**") for a full financial year in FY2012 as compared to from September to December in FY2011.

Finance costs. The Group's finance costs increased by approximately S$2.8 million or 17.7 per cent. from approximately S$15.7 million in FY2011 to approximately S$18.5 million in FY2012 mainly due to the higher interest rate on a new bank borrowing.

Profit before taxation. For the reasons mentioned above, the Group's profit before taxation increased by approximately S$4.7 million or 26.6 per cent. from approximately S$17.5 million in FY2011 to approximately S$22.2 million in FY2012.

Net profit attributable to shareholders. The Group's net profit attributable to shareholders was S$11.2 million in FY2012 as compared to S$8.3 million in FY2011.

Financial performance review for FY2013 compared to FY2012

The FY2013 results included consolidation of the IMAS Group's results from 2 May 2013. As the corresponding FY2012 results did not contain the consolidation impact of the IMAS Acquisition, the consolidated results for FY2013 are not strictly comparable to the consolidated results for FY2012.

Revenue. As a result of the IMAS Acquisition, the Group's revenue increased significantly by approximately S$1,650.5 million or 808.2 per cent. from approximately S$204.2 million in FY2012 to approximately S$1,854.7 million in FY2013, as a result of consolidation of the IMAS Group's revenue of S$1,629.8 million and recognition of resort land sales of S$55.5 million, offset by the decrease in revenue from its industrial park, utilities and resort operations businesses, for the following reasons:

The Group's revenue from its industrial parks business decreased by approximately S$27.0 million or 39.9 per cent. from approximately S$67.5 million in FY2012 to approximately S$40.5 million in FY2013 mainly due to higher sales of industrial land in FY2012.

The Group's revenue from its utilities business decreased by approximately S$3.02 million or 2.7 per cent. from approximately S$111.1 million in FY2012 to approximately S$108.1 million in FY2013 mainly due to decreased electricity consumption from the industrial park's tenants and lower factory occupancy rate.

The Group's revenue from its resort operations business decreased by approximately S$2.4 million or 10.3 per cent. from approximately S$23.2 million in FY2012 to approximately S$20.8 million in FY2013 mainly due to lower revenue generated from its ferry and resorts support services.

Gross profit. The Group's gross profit increased by approximately S$227.3 million or 523.7 per cent. from approximately S$43.4 million in FY2012 to approximately S$270.7 million in FY2013. However, the Group's gross profit margin decreased from approximately 21.3 per cent. in FY2012 to approximately 14.6 per cent. in FY2013 mainly due to lower margin from automotive businesses.

Other income. The Group's other income increased by approximately S$69.0 million or 203.8 per cent. from approximately S$33.9 million in FY2012 to approximately S$102.9 million in FY2013 mainly due to consolidation of the IMAS Group's other income.

General and administrative expenses. The Group's general and administrative expenses increased by approximately S$91.5 million or 630.6 per cent. from approximately S$14.5 million in FY2012 to approximately S$106.0 million in FY2013 which include the IMAS Group's expenses of approximately S$83.7 million. Excluding the IMAS Group, the "general and administrative expenses" increased by approximately S$7.8 million and was mainly due to the professional fee incurred for the IMAS Acquisition.

Other operating expenses. The Group's other operating expenses increased by approximately S$90.0 million or 376.2 per cent. from approximately S$23.9 million in FY2012 to approximately S$114.0 million in FY2013 mainly due to consolidation of the IMAS Group's expenses of approximately S$91.8 million.

Share of associate companies' result. The Group's share of associate companies' result increased by approximately S$5.9 million or 310.7 per cent. from approximately S$1.9 million in FY2012 to approximately S$7.8 million in FY2013 mainly due to contributions from IMAS's associates of S$7.7 million.

Finance costs. The Group's finance costs increased by approximately S$56.7 million or 305.8 per cent. from approximately S$18.5 million in FY2012 to approximately S$75.2 million in FY2013 which included the IMAS Group's finance costs of approximately S$43.5 million. Excluding the IMAS Group, the finance cost increased by approximately S$13.2 million and was mainly due to the financing for the IMAS Acquisition.

Profit before taxation. For the reasons mentioned above, the Group's profit before taxation increased by approximately S$64.0 million or 288.4 per cent. from approximately S$22.2 million in FY2012 to approximately S$86.2 million in FY2013.

Net profit attributable to shareholders. The Group's net profit attributable to shareholders was approximately S$47.5 million as compared to approximately S$11.2 million in FY2012.

Financial performance review for 9M2014 compared to 9M2013 (unaudited)

The 9M2014 results included consolidation of the IMAS Group's 9-month results. As the corresponding 9M2013 results only contain the consolidation impact of the IMAS Group's 5-month results from May 2013 to September 2013 following the completion of the IMAS Acquisition on 2 May 2013, the consolidated results for 9M2014 are not strictly comparable to the consolidated results for 9M2013.

Revenue. As a result of the IMAS Acquisition, the Group's 9M2014 revenue was approximately S$1,671.5 million, which was significantly higher than the Group's 9M2013 revenue of approximately S$1,227.9 million. The higher revenue was mainly due to consolidation of the IMAS Group's revenue of approximately S$1,517.0 million in 9M2014, higher land sales recognition of approximately S$29.3 million and higher resort operation of approximately S$0.6 million, while other business segments registered lower revenue for the following reasons:

Lower rental revenue of approximately S$29.1 million in 9M2104 as compared to approximately S$29.9 million in 9M2013 as a result of lower rental rates (4 per cent. reduction).

Lower utilities revenue of approximately S$79.1 million in 9M2014 as compared to approximately S$81.0 million in 9M2013 which was mainly due to decreased power demand from the industrial parks' tenants and resort operators.

Gross profit. Including the cost of sales of the IMAS Group of approximately S$1,314.3 million and approximately S$1,006.7 million in 9M2014 and 9M2013 respectively, the Group's cost of sales increased from S$1,117.7 million in 9M2013 to approximately S$1,425.2 million in 9M2014. The cost of sales from the utilities segment reduced by approximately S$2.7 million as a result of lower power generations. Consequentially, the Group reported higher gross profit of approximately S$246.2 million in 9M2014 as compared to approximately S$160.2 million in 9M2013.

Other Income. The Group's "other income" of approximately S$69.5 million in 9M2014 was higher than the Group's "other income" of approximately S$63.6 million in 9M2013. This was mainly due to the exchange gain of approximately S$4.9 million in 9M2014 as compared to exchange loss of approximately S$5.8 million in 9M2013. However, it was partially offset by the disposal of property, plant and equipment in the corresponding period.

General and administrative expenses. The Group's "general and administrative expenses" in 9M2014 was approximately S$97.7 million as compared to approximately S$60.4 million in 9M2013 and the increase was mainly due to consolidation of the IMAS Group's expenses of approximately S$87.2 million in 9M2014 as compared to approximately S$50.6 million in 9M2013. Higher expenses were mainly due to increase in manpower, depreciation charges and *Nissan* dealership related rental expenses.

Other operating expenses. The Group's other operating expenses in 9M2014 was approximately S$113.3 million as compared to approximately S$80.8 million in 9M2013 and the increase was mainly due to higher passenger car marketing and promotion expenses and partially offset by write back of accruals that were no longer required.

Share of associate companies' result. The Group's "share of associate companies' result" of approximately S$23.0 million loss in 9M2014 was higher than the Group's "share of associate companies' result" of approximately S$6.6 million gain in 9M2013. This was mainly due to contributions from IMAS' associates.

Finance costs. The Group's finance costs were approximately S$93.0 million in 9M2014 as compared to approximately S$46.4 million in 9M2013 and included the IMAS Group's finance costs of approximately S$57.7 million in 9M2014 as compared to the IMAS Group's finance costs of approximately S$27.3 million in 9M2013. Excluding the IMAS Group, the increase in finance cost was mainly due to the IMAS Acquisition and higher interest rate as compared to corresponding period.

Profit/(loss) before taxation. The Group's profit before taxation decreased by approximately S$54.1 million from approximately S$42.9 million profit before taxation in 9M2013 to approximately S$11.2 million loss before taxation in 9M2014.

Net (loss)/profit attributable to shareholders. The Group's net loss attributable to shareholders was approximately S$19.7 million in 9M2014 as compared to the approximately S$7.0 million profit in 9M2013.

RISK FACTORS

Before making an investment decision, investors should carefully consider and evaluate all of the information set out in this Offering Circular, including the risk factors set forth below. The Issuer and the Group could be affected by a number of risks that may relate to the industries and countries in which the Issuer and the Group operate as well as those that may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive.

*Any of the risks described below could materially and adversely affect the Issuer's ability to satisfy its obligations, including those under the Notes, and have a material adverse effect on the Issuer's or the Group's business, operations, results of operations, financial condition, net sales, revenues, cash flow, profitability, liquidity, capital resources and/or prospects (collectively, the "**Business**"). In that event, the market price of the Notes could decline, and investors may lose all or part of their investments in the Notes. The risks and uncertainties described below are not the only risks and uncertainties the Issuer and the Group face. In addition to the risks described below, there may be other risks and uncertainties not currently known to the Issuer or the Group or that the Issuer or the Group currently deems to be immaterial which may in the future become material risks. The risks discussed below also include forward-looking statements and the Issuer's and the Group's actual results may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.*

RISKS RELATING TO THE GROUP'S BUSINESS GENERALLY

Fluctuations in the value of the Rupiah may materially and adversely affect the Business.

The functional currency of a number of the members of the Group is the Rupiah. Since the Indonesian economic crisis that began in mid-1997, the Indonesian Rupiah has during certain periods been traded in wider volatility against other currencies, such as the U.S. Dollar and the Singapore Dollar. The Rupiah continues to experience significant volatility. During this period, the Rupiah traded between Rp2,383 per U.S. Dollar to Rp11,000 per U.S. Dollar and between Rp1,705 per Singapore Dollar to Rp7,970 per Singapore Dollar. As at the end of 2014, the value of the Rupiah decreased to approximately Rp12,400 per U.S. Dollar, which represents a decrease of more than 28.85 per cent. since the beginning of 2013. As at the end of 2014, the value of the Rupiah decreased to approximately Rp9,400 per Singapore Dollar, which represents a decrease of more than 20.27 per cent. since the beginning of 2013. The Group is cautious in its outlook in view of the depreciating Indonesian Rupiah. These changes in foreign exchange rates may create translation gains or losses in the Group's financial statements. The translation gains may be taxable in the Group companies which are subject to such exposure.

The depreciating Rupiah may have material adverse effects on the Group. Please refer to the risk factor under the heading "*The IMAS Group is exposed to fluctuations in the value of foreign currencies and the Rupiah*" for further information.

The Rupiah has, with certain exceptions, generally been freely convertible and transferable. However, from time to time, Bank Indonesia has intervened in the currency exchange markets, either by selling Rupiah or by using its foreign currency reserves to purchase Rupiah. There is no assurance that the current floating exchange rate policy of Bank Indonesia will not be modified, that additional depreciation of the Rupiah against other currencies, including the U.S. Dollar and/or the Singapore Dollar, will not occur, or that the Indonesian government will take additional action to stabilise, maintain or increase the value of the Rupiah, or that any of these actions, if taken, will be successful. Modification of Indonesia's current floating exchange rate policy could result in significantly higher domestic interest rates, liquidity shortages or capital or exchange controls. This could result in a reduction of economic activity, an economic recession, loan defaults and increases in the price of imports. Any of the foregoing consequences may materially and adversely affect the Business.

The Group faces risks associated with substantial amounts of indebtedness.

The Group has taken a considerable amount of debt financing, including a substantial amount of short term borrowings, to finance the expansion of strategies undertaken by the Group, which includes the growth of the IMAS Group's financing arm.

As at 30 September 2014, the total indebtedness of the Group (including but not limited to amounts owing to banks, financial institutions and holders of debentures of the Group) amounted to approximately S$2.22 billion, of which approximately 63.94 per cent. was owed by the IMAS Group. Out of the IMAS Group's total indebtedness as at 30 September 2014, the IMAS Group's short term borrowings account for approximately Rp8,380 billion or approximately 61.70 per cent. of the IMAS Group's total indebtedness.

The Group currently has significant obligations to service its bank borrowings and will continue to face high debt levels in the future. The Group's debt to equity ratio (defined as the ratio of total indebtedness to shareholders' equity) as at 30 September 2014, was approximately 0.85 times, and the IMAS Group's debt to equity ratio as at 30 September 2014 was approximately 2.13 times. As such, the Group and the IMAS Group are subject to risks associated with substantial amounts of indebtedness, including the risks of their cash flows not being able to meet the required payment of principals and/or interests. In the event that the Group or the IMAS Group is unable to make timely payments of the principals and/or interests, the Group or the IMAS Group may face consequences including the risk of having enforcement action taken against its assets which have been used to secure its borrowings and the risk of having insolvency proceedings taken against it.

In addition, while in the past cash flows from the Group's and the IMAS Group's operations had been sufficient to meet payments in respect of their indebtedness, there is no assurance that the Group or the IMAS Group will be able to do so in future. The IMAS Group is also reliant on short term borrowings provided by various financial institutions for its operating cash flow and working capital requirements. There is no assurance that these financial institutions will continue granting the IMAS Group short term loans or related banking facilities on commercially acceptable terms.

The Group and/or the IMAS Group may have also underestimated its capital requirements and other expenditures or overestimated its future cash flows. In such event, additional capital, debt or other forms of financing may be required for the Group and/or the IMAS Group to meet their working capital requirements. If the Group and/or IMAS Group is unable to raise additional capital, debt or other financing, including short-term financing, to meet its working capital requirements, the Business may be materially and adversely affected.

Downturns in economic conditions in Indonesia may directly affect the Group's revenue.

The financial performance of the Group has been and it expects will continue to be linked to economic conditions in Indonesia. The demand for the goods and services of the Group are adversely affected by any of the following:

- increases in interest rates and inflation or other costs;
- a weakness in the national, regional and local economies;
- any changes in taxation; and
- adverse Indonesian government regulations and policies.

To the extent that any of these conditions occur, they may materially and adversely affect the Business.

The Group faces risks due to the lack of geographic diversity.

Substantially all of the Group's property and operations are presently located in Indonesia. Presently, the Group's growth depends on the demand for vehicles, relatively low-cost manufacturing facilities, visitor arrivals and demand in the real estate market in Indonesia. Although the Group has recently begun to undertake investments in companies whose underlying operations are outside of Indonesia such as the PRC, the primary focus of the Group's business presently remains in Indonesia. As a result, a downturn in regional or local economic or real estate conditions, the local business climate, changing demographics or natural disasters would have a particularly significant adverse effect on the Business.

The Group's operating costs and expenses may increase.

The Group's businesses may be adversely affected by increases in operating costs and expenses without corresponding increases in revenue or reimbursements from its business and operations. Factors which may contribute towards an increase in operating costs and expenses include:

- an increase in the inflation rate;
- an increase in fuel prices;
- an increase in payroll expenses;
- an increase in taxes;
- changes in statutory laws, regulations or government policies that increase the costs of compliance with the same;
- an increase in sub-contract costs;
- an increase in insurance premiums; and
- property defects which require rectification causing unforeseen additional expenditures.

For example, in the event that there is a substantial increase in fuel prices and the Group is unable to pass such increased costs on to its consumers, the Business may be materially and adversely affected.

The Group may not be able to successfully execute its expansion and strategic plans.

The Group expects to continue expanding the businesses that it currently operates. While the Group has accumulated experience in its existing business segments, there can be no assurance that it will be able to leverage on such experiences and replicate its historical success when entering into new businesses or geographic regions. In addition, as part of the Group's expansion plan, the Group may make larger investments than it has made in the past. These investments may place significantly greater strain on the Group's resources, including financial and management resources. For example, in 2010, the Group invested U.S.$202.5 million in consideration for the MS Notes and the MS Warrants to subscribe for 202,500,000 shares, or approximately 99.9 per cent. of the share capital, of Market Strength, which effectively has an indirect 47.7 per cent. equity interest in Shanghai Wanye Enterprises Laoximen Real Estate Development Co., Ltd. ("**Shanghai Project Co**"). Upon the exercise of the MS Warrants, the Group will effectively hold an indirect 47.7 per cent. interest in the Shanghai Property Project, being a residential and commercial property development located in Lao Xi Men, Huangpu District, Shanghai, the PRC held by Shanghai Project Co, making the Group the single largest investor in the Shanghai Property Project. In May 2013, the Group acquired a 52.35 per cent. stake in IMAS, a company listed on the IDX and further to a mandatory tender offer made in Indonesia, its shareholding in IMAS increased to 71.49 per cent. In October 2013, the Group, through its subsidiary CSMC, entered into a joint venture with Sumitomo Corporation and PT Sumitomo Indonesia in the logistics business, pursuant to which the IMAS Group holds a 60 per cent. stake in the joint venture company, PT Indomobil Summit Logistics. In February 2014, the Group signed a memorandum of understanding with PT Garuda Indonesia (Persero) Tbk. ("**Garuda Indonesia**"), to jointly develop Bintan Island as Garuda Indonesia's new hub with a dedicated airport for Garuda Indonesia and its subsidiary, as well as a new centre for aircraft maintenance ("**Bintan Aircraft Maintenance Project**"). Subsequent to this, in December 2014, PT Garuda Maintenance Facility Aero Asia, a member of the Garuda Indonesia group of companies, and PT Bintan Aviation Investments, a subsidiary of the Company, entered into a joint venture agreement to establish a joint venture company for aircraft maintenance at Bintan Industrial Estate. Please also refer to the risk factors under the heading "*Risks Relating to Certain Investments*" for further information.

The expansion of the Group's existing businesses and its expansion into new businesses and regions may require a significant amount of capital investment and involve various risks and uncertainties, including the risk of operating in a new environment, the difficulties of integrating new businesses into the Group's existing businesses and the diversion of resources and attention of its management. Any failure to address these risks and uncertainties may adversely affect the Business.

In addition, from time to time, the Group may evaluate potential acquisitions or joint ventures that would further its strategic objectives. With respect to acquisitions and new business initiatives, the Group may not be able to identify suitable candidates, complete a transaction on terms that are favourable to the Group, or achieve expected returns and other benefits as a result of integration challenges or anti-monopoly regulations. Companies or operations acquired or joint ventures created by the Group may not be profitable or may not achieve sales levels and profitability that justify the investments made. The Group's development activities may entail financial and operational risks, including diversion of management attention from its existing core businesses, difficulty in integrating or separating personnel and financial and other system, and negative impacts on existing business relationships with suppliers and customers. Further acquisitions and new business initiatives could also result in potentially dilutive issuances of equity securities; the incurrence of debt, contingent liabilities and/or amortisation expenses related certain intangible assets; and increased operating expenses, all of which may materially and adversely affect the Business.

For example, the IMAS Group has expanded into the mining contracting industry. Although the IMAS Group sells heavy equipment to the mining contracting industry, and its joint venture partner has extensive experience in the mining contracting industry, the IMAS Group has no prior experience as a mining contractor, which may require different expertise than what the IMAS Group has developed in its operations thus far. The IMAS Group's foray into the mining contracting industry has experienced a slowdown due to the European economic crisis and the reduced demand for coal and resources, particularly from the PRC as well as fluctuating prices of coal and resources.

The Group may not be able to obtain additional financing on terms that are acceptable to the Group or at all.

The Group's businesses are capital intensive. As at the date of this Offering Circular, the Group finances its businesses primarily through a combination of internal funding, bank borrowings and issuance of debt instruments. There can be no assurance that the Group will have sufficient cash flow available for its capital expenditures, land acquisitions or property developments or that it will be able to secure external financing on terms acceptable to the Group or at all.

The Group's ability to arrange for adequate financing for land acquisitions or property developments on terms that will allow it to earn reasonable returns depends on a number of factors that are beyond its control, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, success of its business, provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital and economic conditions in Singapore and Indonesia.

The Group's ability to generate sufficient cash to fund its operating expenses and satisfy its outstanding and future debt obligations will depend upon its future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond its control. If the Group is unable to service its indebtedness, it will be forced to adopt alternative strategies. These may include reducing or delaying capital expenditures, selling assets, restructuring or refinancing its indebtedness or seeking equity capital. These strategies may not be instituted successfully, if at all. If the Group is unable to generate sufficient cash or secure external financing on terms acceptable to the Group or at all, to fund its operating expenses and/or to satisfy its outstanding and future debt obligations, the Business may be materially and adversely affected.

Certain of the Group's loan agreements contain financial covenants and restrictions.

The Company and certain of its subsidiaries are party to various loan agreements which impose certain financial covenants and restrictions on the Group, including maintaining certain financial ratios and restrictions relating to the Group's shareholdings. For example, certain of the shares in the capital of IMAS which are held by the Company are pledged to the lending banks pursuant to the terms and conditions of a loan agreement between the lending banks and the Company. Pursuant to the loan agreement, IMAS will be required to remain as the Company's subsidiary for the duration of the loan and the Company is required to, amongst others, maintain the loan-to-value ratio of the pledged shares as required under the loan agreement.

If the Company or (if applicable) any of its subsidiaries fails to comply with the covenants and restrictions in the various loan and facility agreements and related agreements which it is a party to, it may be in default of these loans and/or if any of the terms and conditions inside the agreements are not met, the lender(s) may in each such case have the right, subject to the terms of the relevant agreements, to accelerate the Company's or its subsidiaries' obligation to repay the outstanding borrowings under these loans. Such a default may also cause cross-defaults under other loans of the Group and may materially and adversely affect the Business.

The Company is exposed to certain risks because it is a holding company.

As a holding company, the Company is dependent upon the activities, as well as the revenues, of its subsidiaries. In the event that there is any decline in the activities and/or the revenues of its subsidiaries, there would be a direct adverse effect upon the Company's own revenues. Although the Company does not currently anticipate that there will be any significant decline in the activities and/or revenues of its subsidiaries in the immediate future, there is no assurance that any decline will not occur or that the Group will be able to mitigate the effects of any such decline adequately, or at all. In addition, certain of the Group companies have entered into financing transactions which limit their ability to distribute dividends prior to repayment of the relevant facilities. Such limitations may limit the dividends that the Company may receive as a holding company which may, in turn, materially and adversely affect the Business of the Company. Additionally, there can be no assurance that the Company's subsidiaries will generate sufficient earnings and cash flows to pay dividends or otherwise distribute sufficient funds to the Company to enable it to pay interest and expenses and to meet its obligations, including payments under the Notes.

The Group is exposed to risks relating to the financial instruments of the Group.

The primary risks that arise from the financial instruments of the Group are interest rate risk, foreign exchange risk, equity risk, credit risk and liquidity risk. These risks are managed by considering the changes and the volatility of both the local and international financial markets.

There is no assurance that such risks would be managed by the Group effectively, in which case, the Business may be materially and adversely affected.

Adverse movements in interest rates may affect the Business.

The Group's current borrowings carry, and the Group's future borrowings may carry, interest at floating rates. Therefore, any increase in interest rates would affect the Group's costs of servicing its credit facilities and borrowings, which may materially and adversely affect the Business.

The Group's controlling shareholders and certain of its directors may take actions that are not in the Group's interests.

As at 31 December 2014, the Salim Group holds a 74.55 per cent. interest in the Company's issued shares. The Group is reliant upon the continued support of the Salim Group. The Salim Group has and will continue to have the ability to exercise a controlling influence over the Group's business, and may cause the Group to take actions that are not in, or may conflict with, the Group's interests.

The Salim Group has affiliates which have interests in, and may, from time to time, invest in and/or acquire companies which carry on the business of, among other things, resorts operation, owning, developing, managing and/or marketing industrial estates or industrial parks, and/or providing products and services to industrial estates or parks. For example, the Salim Group has interests in hotels and resorts in Indonesia, Vietnam and the PRC, interests in entities engaged in developing, managing and marketing industrial estates or parks in various ASEAN countries and in the PRC and interests in entities engaged in the provision of services to those hotels, resorts and industrial parks and estates. The Salim Group also has interests in telecommunications and property development businesses in various ASEAN countries and in the PRC. There is no assurance that such businesses will not compete with the Group's businesses.

The Group engages in transactions with affiliates that could result in management taking actions that are not in the interests of the Group.

The Group engages in transactions with affiliates. The negotiation and conduct of such transactions may create conflicts of interest for the Group's management. There is no assurance that the Group management will not as a result of such conflicts of interests take actions that are not in the interests of the Group, which may in turn have a material and adverse effect on the Business.

The Group is subject to environmental controls and could incur significant costs related to environmental matters.

The Group is subject to various Indonesian laws and regulations relating to the protection of the environment that may require current or previous owners of property to investigate and clean-up hazardous or toxic substances on the property. Under these laws, property owners and operators are required to either manage toxic and hazardous substances on the property, including the reduction, storage, transportation, utilisation and/or processing of toxic and hazardous substances, or engage a third party who is capable and licensed to manage such toxic and hazardous substances to do so. Such laws often impose strict liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial. Environmental laws may also impose compliance obligations on owners and operators of real property with respect to the management of hazardous materials and other regulated substances. Failure to comply with these laws can result in imprisonment and penalties being imposed. Existing environmental reports with respect to any of the Group's properties may not reveal (i) all environmental liabilities; (ii) all material environmental conditions created by prior owners or operators of the Group's properties; or (iii) all material environmental conditions that otherwise exist with respect to any one or more of the Group's properties. There also exists the risk that material environmental conditions, liabilities or compliance concerns may have arisen after the review was completed or may arise in the future. Finally, any change in environmental laws and regulations applicable to the Group or to its utilities facilities, including increased governmental enforcement of environmental laws or other similar developments in the future, may require the Group to make additional capital expenditures or incur additional operating expenses in order to maintain its current operating activities, curtail its utilities activities or take other actions that could materially and adversely affect the Business. The Group may be subject to liabilities or penalties relating to environmental matters that could materially and adversely affect the Business.

The Group believes that the vehicles and heavy equipment that it sells meet current vehicle emission standards and that the Group is in compliance in all material respects with applicable environmental regulations. However, there is no assurance that vehicle emission standards and/or applicable environmental regulations will or can be complied with in the future. There is no assurance that a change or strengthening of such standards will not increase the cost of such vehicles and materially and adversely affect the Business. In addition, any change in tax and other regulations applicable to consumers of automobiles may lead to reduced demand for the products of the Group and materially and adversely affect the Business.

The Group is exposed to various risks related to legal proceedings or claims.

The Group, its directors, officers and/or its controlling shareholders have been and in the future may be involved in allegations, litigation or legal or administrative proceedings. Regardless of the merits, responding to these matters and defending against claims and litigation can be difficult, expensive, time consuming and disruptive to business operations. Moreover, the results of legal proceedings are difficult to predict. Any such allegations, lawsuits or proceedings could have a material adverse effect on the Group. Further, unfavourable outcomes could materially and adversely affect the Group's reputation and the Business.

Coverage under the Group's existing insurance policies may be inadequate to cover losses.

The Group generally maintains insurance policies related to its business, including general liability insurance, special property all risk insurance, combined property damage and business interruption insurance and other policies that covers its business operations, employees and assets, for the markets where its properties and business operations are located. The Group typically insures its assets on a replacement cost basis. However, the Group would be required to bear all losses that are not covered by insurance. In addition, there may be certain losses that are generally not insured or fully insured against because it is not deemed economically feasible or prudent to do so, including losses due to floods, wind, earthquakes, acts of war, acts of terrorism or riots. If an uninsured loss or a loss in excess of insured limits occurs with respect to one or more of the Group's properties or assets, the Group could lose the capital it invested in such properties or assets, as well as the anticipated future revenue from such properties or assets.

The Group may not have sufficient funds to offset any such losses, damages or liabilities or to replace any property development or assets that have been destroyed in the course of its operations. In addition, any payments the Group makes to cover any losses, damages or liabilities could be significant and could materially and adversely affect the Business.

The Group is dependent on its key personnel.

The Group's continued success depends, in part, on the continued service and performance of its management team. The business of the Group depends on the ability to attract and retain personnel who are qualified in their respective fields. Any inability to hire or retain the services of key personnel could adversely impact the Group's operations and performance. If one or more of the Group's executive officers or key personnel become unable or unwilling to continue in his or her present positions, the Group may not be able to replace him or her readily, if at all. As a result, the Business may be severely disrupted and the Group may have to incur additional expenses in order to recruit and retain new personnel. Such an occurrence may have a material and adverse effect on the Business.

Global capital and credit market issues could negatively affect the Group's liquidity, increase its costs of borrowing, and disrupt the operations of its customers.

Since 2008, the capital and credit markets in much of the world experienced increased volatility and disruption, making it more difficult for companies to access those markets. The Group depends on stable, liquid, and well-functioning capital and credit markets to fund its operations. Although the global credit crisis did not generally affect its business and the health of the Group or Singapore and Indonesian banks as acutely as corporations and banks in the United States and certain other countries, the global financial crisis did have a significant impact on certain sectors of the economies in which the Group operates and the stability of the financial markets in these economies. Any recurrence or subsequent after-effects of the financial and credit crisis could affect these economies more severely in the future, and affect the ability of the Group to obtain bank financing and access the capital markets or increase the cost of doing so. Any disruptions experienced by the customers of the Group as a result of tighter capital and credit markets or a slowdown in the general economy may materially and adversely affect the Business.

RISKS RELATING TO THE GROUP'S AUTOMOTIVE BUSINESS

The Group may encounter problems with its joint venture partners or principals which may adversely affect its Business.

Some of the operations of the Group are conducted in conjunction with or directly or indirectly in reliance on certain joint venture parties and principals, such as Nissan Motor Company Ltd. of Japan or Hino Motors, Ltd. of Japan. The Group has shareholding interests in NMI and PT Hino Motors Manufacturing Indonesia (being the Group's associate company and investee company, respectively) which assemble passenger cars and commercial vehicles for Nissan Motor Company Ltd. and Hino Motors, Ltd. These vehicles are then distributed and sold in Indonesia via PT Nissan Motor Distributor Indonesia and PT Hino Motors Sales Indonesia (being the Group's associate companies).

If there are disagreements between the Group and its joint venture partners and principals regarding the business and operations of the joint ventures, there is no assurance that the Group will be able to resolve them in a manner that will be in the interests of the Group. Moreover, the Group's joint venture partners and principals may (i) have economic or business interests or goals that are inconsistent with the Group; (ii) take actions contrary to the instructions, requests, policies or objectives of the Group; (iii) be unable or unwilling to fulfil their obligations; (iv) have financial difficulties; or (v) have disputes with the Group as to the scope of their responsibilities and obligations. Any of these and other factors may materially and adversely affect the Business.

The Group is dependent on distributorships and/or dealerships for the automotive brands that the Group represents.

The Group's distributor and dealership rights for automotive brands which it represents are governed by the agency, joint venture, distribution or dealership agreements (the "**Distributorship Agreements**") entered into between the Group and its automotive manufacturer principals. The Distributorship Agreements are renewed automatically every year and the business relationships with a number of the Group's automotive manufacturer principals have been in place for many years. However, under the Distributorship Agreements, the automotive manufacturer principals have a right to terminate the Distributorship Agreements for specific reasons, such as failure by the Group to reach certain agreed minimum sales targets in a given year or if the Group is in default of other obligations and duties under the Distributorship Agreements subject to applicable Indonesian laws and regulations.

There is no assurance that the Group will be able to renew the Distributorship Agreements on a timely basis, on commercially acceptable terms, or at all, or that the Distributorship Agreements will not be terminated by the automotive manufacturer principals for various reasons, including a change of their business strategies. The failure to renew any of the Distributorship Agreements may materially and adversely affect the Business.

The Group's business operations are subject to restrictions imposed by, and significant influence from, its joint venture partners and the principals of the automotive brands which the Group represents.

The joint venture partners and the principals of the automotive brands which the Group represents may, under their existing Distributorship Agreements with the Group subject certain aspects of the Group's operations to various restrictions including, amongst others, precluding the Group from obtaining additional dealership rights for failing to fulfil certain performance criteria including criteria relating to sales results or customer satisfaction ratings, and setting pricing guidelines for the sale and distribution of automobiles and automotive spare parts.

There is no assurance that the Group will be able to successfully negotiate the restrictions under its existing Distributorship Agreements with the respective joint venture partners or automotive manufacturer principals on more favourable terms, if at all. The restrictions imposed by the Group's joint venture partners and the principals could impair the Group's ability to respond to changes in the market or its business operations. Such an occurrence may materially and adversely affect the Business.

The Group is dependent on the product brands managed and distributed by it.

The development of the brands managed and distributed by the Group is critical in attracting new customers to the products of the Group and maintaining the loyalty of its existing customers. If the quality and reputation of the Group's current products deteriorate, then the value of the brands managed and distributed by the Group could be diminished and this may materially and adversely affect the Business.

Increase in cost, disruption of supply, or shortage of CKD or spare parts could materially harm the Group's Business.

The Group uses CKD parts in its vehicle assembly operations, and also distributes generic motorcycle and automobile spare parts that it purchases from third-party suppliers. The prices for these items fluctuate depending on market conditions and prices of materials used in such items, such as steel. In recent years, freight charges and material costs have increased significantly. Substantial increases in the prices for the spare parts increase the Group's operating costs and could reduce the Group's profitability if they result in lower consumer demand for the vehicles which the Group sells or supplies spare parts for. In addition, the Group depends on a limited number of suppliers for some of these parts, such as engine components and transmission components. The Group cannot guarantee that it will be able to maintain favourable arrangements and relationships with these suppliers.

In addition, in the Group's vehicle retail dealership operations, it depends entirely on supplies of such vehicles from either the manufacturers overseas or the assembly and wholesale distributor companies in Indonesia. For example, the Group's Nissan retail dealership operations depend on the supply of Nissan cars from its associate companies and its Hino retail dealership operations depend on the supply of Hino vehicles from its investee companies, each of which depends on supplies of CKD parts which are primarily imported.

An increase in the cost or a sustained interruption in the supply or shortage of CKD parts or vehicles, which may be caused by a deterioration of the Group's relationships with suppliers, natural disasters, such as the earthquake and tsunami in Japan, labour strikes or other factors, may materially and adversely affect the Business.

The Group's future success depends on its ability to offer new, innovative and high quality products and meet consumer demand.

Meeting consumer demand with new and high quality vehicles and equipment is critical to the Group's success as a distributor of passenger cars and commercial vehicles in Indonesia. Any general shift in consumer preference towards different types of vehicles, which could result from, among other things, government regulations, environmental concerns and increasing fuel prices, could impact the Group's profitability. Any inability on the part of the manufacturers to continue to improve the quality of the vehicles which the Group sells, delays in bringing new vehicles to market, inability to achieve defined efficiency targets without suffering from quality losses and lack of market acceptance of new models may materially and adversely affect the Business.

The IMAS Group may not be able to sustain its growth.

There can be no assurance that the growth strategy of the IMAS Group will continue to be successful or that it will be able to continue to expand. For instance, if IMFI increases the number of loans it extends too rapidly or fails to properly assess credit risks associated with new borrowers, a higher percentage of the loans it extends may become non-performing, which may adversely affect the quality of its assets.

In particular, Indorent has been growing at a significant pace and its anticipated further expansion may place a strain on its management, systems and resources. The number of vehicles in Indorent's rental fleet grew by 84.33 per cent. in the period from 31 December 2011 to 30 September 2014. Indorent may not be able to effectively sustain this level of growth in future periods due to a number of different factors, including, among others, macroeconomic factors out of its control, competition within Indonesia's long-term car rental industry, the greater difficulty of growing at sustained rates from a larger revenue base, its inability to control its expenses and the availability of resources for its growth. In addition, Indorent plans to continue to expand its fleet size, optimise its fleet composition and expand its truck rental services for logistics purposes business. All of these endeavours will require substantial managerial effort and skill and the incurrence of additional expenditures and may subject Indorent to new or increased risks.

The IMAS Group may not be able to efficiently or effectively implement its growth strategies or manage the growth of its operations, and any failure to do so may limit future growth and hamper its business strategies.

Moreover, the IMAS Group's ability to sustain its rate of growth depends significantly upon its ability to manage key issues such as selecting and retaining key managerial personnel, maintaining effective risk management policies, continuing to offer products and services which are relevant to its target customers, training managerial personnel to address emerging challenges, developing and maintaining technical infrastructure and systems and ensuring a high standard of customer service. The IMAS Group will need to recruit new employees, who will have to be trained and integrated into its operations. The IMAS Group will also have to train existing employees to adhere properly to evolving internal controls and risk management procedures. Failure to train its employees properly may result in loss of business, erosion of the quality of customer service, diversion of management resources, an increase in its exposure to high-risk credit, significant costs and an increase in employee attrition rates, any of which could materially and adversely affect the Business.

If any of these risks materialise, the Business could be materially and adversely affected.

An increase in fuel prices, continued volatility of fuel prices or reductions in the fuel subsidies for private passenger cars given by the Indonesian government may have a material adverse effect on vehicle demand.

Increases in fuel prices from global oil prices or changes to fuel subsidies from the Indonesian government can affect vehicle demand, and in particular, cause a reduction in consumer demand for larger passenger cars which are less fuel efficient. The Indonesian government has previously in 2005 and 2008 reduced fuel subsidies to the public, despite public demonstrations. In December 2010, Indonesia's parliament approved a plan to allow subsidised fuel for public transport and motorcycles, and to restrict the sales of subsidised fuel to private passenger car users in Indonesia. Subsequently, the Indonesian government considered reducing fuel subsidies for private passenger cars while maintaining fuel subsidies for public vehicles and motorcycles. In June 2013, the Indonesian government decided to reduce the fuel subsidies for all vehicles instead and in December 2014, the Indonesian government reduced such subsidies further.

If plans to restrict the sales of subsidised fuel to private passenger car users, or dual-pricing policies involving the cost of fuel of private passenger car users being increased vis-à-vis other road users, are implemented in Indonesia in future, such restrictions could weaken the demand for less fuel efficient passenger cars as well as passenger cars generally.

While the Group believes that some of the models sold by it, such as *Nissan March* and *Nissan Grand Livina*, are more fuel efficient than comparable models of its competitors, there is no assurance that any decrease in consumer demand for certain types of passenger cars or passenger cars in general would not materially and adversely affect the Business.

The IMAS Group may be affected by declines in the natural resources sector.

The IMAS Group's heavy-duty trucks and heavy equipment business segment is reliant on the natural resources sector, in particular coal mining. A decline in the natural resources sector may result in a decrease in demand for the IMAS Group's heavy-duty trucks and heavy equipment and consequently a decrease in the revenue level from such business segment. Any such decrease in the revenue level may materially and adversely affect the Business.

The IMAS Group is exposed to fluctuations in the value of foreign currencies and the Rupiah.

The functional currency of the IMAS Group is the Rupiah. The IMAS Group's purchases of the CKD parts for the vehicles which the IMAS Group assembles and sells are denominated in U.S. Dollars and Euro, so a depreciation of the Rupiah against these currencies would have a negative impact on the cost of revenues of the IMAS Group. In addition, although the IMAS Group purchases *Nissan* cars in Rupiah from NMI (which together with PT Nissan Motor Distributor Indonesia have arrangements with the IMAS Group for the manufacturing and distribution of *Nissan* passenger cars in Indonesia), NMI's purchases of CKD parts are denominated in U.S. Dollars and a depreciation of the Rupiah against the U.S. Dollar which results in higher costs for NMI would be passed on to the IMAS Group. Increases in the costs of revenues of the IMAS Group may require the IMAS Group to increase the price of its cars, which may result in lower sales. As the IMAS Group also had net foreign currency liabilities of approximately Rp822 billion as of 30 September 2014, primarily as a result of U.S. Dollar-denominated short-term and long-term bank loans, a depreciation of the Rupiah against the U.S. Dollar would have the effect of increasing the cost of its U.S. Dollar-denominated interest obligations, as well as (so long as the IMAS Group has a net U.S. Dollar foreign currency liability) incurring net losses on foreign exchange.

Any reduction of advertising, marketing and promotional activities by the principals of the automotive brands the Group represents could affect the Group's sales of automobiles.

The Group's sales of automobiles are influenced by the advertising, promotional and marketing efforts of the automotive manufacturer principals designed to foster consumer demand for their automobiles.

As part of their advertising, promotional and marketing efforts, the automotive manufacturer principals are responsible for assisting the Group with the advertising, marketing and promotional activities, including the production of flyers, brochures and other materials relating to such activities although the Group may be requested by the principals to make a minor contribution to the costs of the advertising, marketing and promotional activities. The automotive manufacturer principals also hold joint organised sales and marketing events with the Group and periodically offer discounts, complimentary products or services, or extended product warranties through the Group to customers, as part of their marketing and promotional activities. In addition, while the Group's sales and marketing efforts are typically tailored to target the regions in which it operates in, the success of its sales and marketing efforts is also influenced by the various advertising, marketing and promotional activities carried out by the automotive manufacturer principals carried out at a national or international level.

There can be no assurance that the automotive manufacturer principals will continue or maintain their efforts in assisting the Group with its advertising, marketing and promotional activities. In addition, the Group may not be able to influence the advertising, marketing and promotional activities carried out by the automotive manufacturer principals at a national or international level. Any reduction or change to the automotive manufacturer principals' promotional and marketing efforts or activities may materially and adversely affect the Business.

Product defects and automobile recalls could have a material and adverse effect on the Business.

Automobile manufacturers may conduct recalls from time to time to remedy product defects or other problems with one or more vehicle models. For instance, in FY2011, the IMAS Group was involved in recalls of certain *Nissan* models such as the *Nissan X-Trail*, the *Nissan Grand Livina*, the *Nissan Livina*, the *Nissan March A/T* and the *Nissan Juke*. Such recalls have not had any material adverse impact on the IMAS Group's financial position.

Under Indonesian Consumer Protection Law, the Group is not liable for any costs of such recalls unless it had carried out modification works on the product and such product was recalled. It is further stipulated under Indonesian Consumer Protection Law that the manufacturer shall be liable to provide after sale services or a service centre for its products that have not been modified. While the Group is typically compensated by the automobile manufacturers for its assistance in conducting recalls, customers' confidence in the quality and safety of the vehicle models that have been recalled may be affected.

Any product defects or vehicle recalls may also negatively affect the reputation of the Group or the automobile manufacturer and may lead to cancellation of orders by the Group's customers and a decline in demand for a particular vehicle model or automotive brand. This may lead to a decrease in the Group's sales and high level of inventories for the particular vehicle model subject to the recall, vehicles of the same automotive brand and their related automotive spare parts and components. As a result, the Group may have to incur costs associated with holding excess inventories or reduce its selling prices.

There can be no assurance that there not be any automobile recalls in the future affecting the products sold by the Group. Any product defect or automobile recall may materially and adversely affect the Business.

The IMAS Group's insurance coverage may not cover all types of possible losses and may be insufficient to cover its losses.

The IMAS Group maintains insurance coverage totalling approximately Rp6,751 billion as of 30 September 2014 in respect of the IMAS Group's operations. However, the IMAS Group may incur losses that may not be fully compensated by insurance proceeds. In addition, the IMAS Group does not have full insurance coverage against any losses arising from business interruption, expropriation or product liability. The IMAS Group also does not maintain product liability insurance. As a result, the insurance coverage of the IMAS Group may be insufficient to cover losses should these losses arise and the IMAS Group may not have sufficient funds to offset any such losses. Any payments which the IMAS Group makes to cover any losses, damages or liabilities not otherwise covered by insurances could be significant and may materially and adversely affect the Business.

The sales of the Group may be affected if interest rates significantly increase.

The majority of purchasers of the Group's vehicles rely on financing to fund their purchases. Vehicle financing rates in Indonesia are generally influenced by the cost of funds, which are in times of normal liquidity linked to Bank Indonesia benchmark reference rates. However, vehicle financing rates can also increase significantly when benchmark rates are low due to liquidity shortages, which occurred in late 2008 and part of 2009 during the global financial crisis, which contributed to the lower sales of the Group in 2009. Vehicle financing for heavy-duty trucks and equipment are usually financed in U.S. Dollars and therefore financing rates are influenced by U.S. Dollar interest rates.

Increases in interest rates may significantly increase the cost of vehicle financing, adversely impacting the affordability of the Group's vehicles, or reduce the interest rate spreads or profit margins of its vehicle finance operations. In addition, the Indonesian government and commercial banks may also change the regulatory framework in a manner that would make vehicle financing unavailable or unattractive to potential vehicle purchasers. If the availability or attractiveness of vehicle financing is reduced or limited, many prospective purchasers may not be able to arrange or obtain vehicle financing to purchase the cars of the Group. The occurrence of any of these events may materially and adversely affect the Business.

Restrictions imposed by the terms of the loan and indebtedness agreement covenants of the IMAS Group may adversely affect its financial condition, and limit its ability to plan for or respond to changes in its business.

IMAS and certain of its subsidiaries are party to various loan agreements which impose certain restrictions on the IMAS Group for the duration of such agreements, including the following: (i) maintaining certain financial ratios; (ii) maintaining ownership levels of IMAS in the relevant subsidiaries; (iii) reduction of paid-up capital; (iv) repayment of loans to shareholders and distribution of dividends out of more than a certain percentage of the borrower's profits in any financial year; (v) granting of loans and/or security to third parties and acting as guarantor to third parties; (vi) receiving loans from third parties; (vii) investing or engaging in new businesses not related to the borrower's current business activities; (viii) selling or disposing of assets used to support the borrower's main business activities; (ix) carrying out mergers, consolidations, acquisitions or dissolutions; and (x) submitting a petition for bankruptcy or postponing settlement of debt obligations. Certain of IMAS' subsidiaries have also issued securities evidencing indebtedness which contain restrictions on the IMAS Group and also certain financial and other covenants.

If the IMAS Group fails to comply with these covenants, it could be in default under these loans and in that event, the lender(s) or holder(s) of securities would have the right, subject to the terms of the relevant agreements or securities, to accelerate the obligation of the IMAS Group to repay the outstanding indebtedness. Such a default may also cause cross-defaults under the IMAS Group's other loans or securities and may materially and adversely affect the Business. In addition, the IMAS Group's loans or securities may require that the IMAS Group obtains written consent from or notifies its lender(s) or holder(s) of securities prior to, *inter alia*

(i) incurring indebtedness or creating security interests over its assets; (ii) effecting any change in its shareholding composition; and (iii) distributing dividends. This may limit the ability of the IMAS Group to raise future financing.

As of 30 September 2014, the total indebtedness of the IMAS Group amounted to approximately Rp13,583 billion, of which 61.70 per cent. is due within one year, and the IMAS Group's total indebtedness as a percentage of total assets, or gearing ratio, was 57.70 per cent. As of 30 September 2014, the IMAS Group had net current assets, calculated as total current assets less total current liabilities, of approximately Rp910 billion. Although the IMAS Group has repaid a portion of its indebtedness from the proceeds of the rights issue undertaken in 2011, the IMAS Group's capital expenditure plans in the future may require the IMAS Group to incur additional debt, and the risk that the IMAS Group faces as a result of its indebtedness and leverage could increase.

As a result of this indebtedness, the IMAS Group will require substantial cash flows to meet its debt obligations and a substantial part of its cash flows from operations will not be available for its business. The liquidity of the IMAS Group depends on cash from operations and access to financial resources to fulfil its short-term payment obligations, which will be affected by its future operating performance, prevailing economic conditions, and financial, business and other factors, many of which are beyond its control.

There is no assurance that the IMAS Group's indebtedness and these restrictions on the IMAS Group's liquidity will not materially and adversely affect its ability to finance its future operations or capital needs or to engage in other business activities, or otherwise materially and adversely affect the Business. The ability of the IMAS Group to service current and future debt will also depend on its future performance, which, in turn, depends on the successful implementation of its strategy and on financial, competitive, regulatory, technical and other factors, general economic conditions, the demand and selling prices for its products, and other factors specific to its industry, many of which are beyond the control of the IMAS Group. The IMAS Group could face difficulties making debt service payments and may be required to refinance indebtedness if its liquidity, cash flows or operations deteriorate in the future and the IMAS Group cannot generate sufficient cash flows from operations to meet its debt service requirements. The ability of the IMAS Group to refinance indebtedness will depend upon its financial condition at the time, the restrictions in the agreements governing its indebtedness and other factors, including general market and economic conditions. There is no assurance that the IMAS Group will be able to refinance any of its indebtedness at commercially acceptable terms or at all.

Any failure, inadequacy and security breach in the IMAS Group's computer systems may materially and adversely affect the Business.

The IMAS Group's operations depend on its ability to process a large number of transactions on a daily basis across its network of offices. The IMAS Group's financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are beyond its control, including a disruption of electrical or communications services. The IMAS Group's ability to operate and remain competitive will depend in part on its ability to maintain and upgrade its information technology systems on a timely and cost-effective basis. The information available to and received by the IMAS Group's management through the IMAS Group's existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in the IMAS Group's operations. The IMAS Group may experience difficulties in upgrading, developing and expanding its systems quickly enough to accommodate its growing customer base and range of products.

The IMAS Group's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The IMAS Group's computer systems, software, including software licensed from vendors and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft, for which the IMAS Group could potentially be liable. Any failure to effectively maintain or improve or upgrade the IMAS Group's management information systems in a timely manner could materially and adversely affect the Business. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in the IMAS Group's internal processes or systems, it could affect the IMAS Group's operations or result in financial loss, disruption of its businesses, regulatory intervention or damage to its reputation. In addition, the IMAS Group's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports its business.

The Group's vehicle financing operations and future growth depend substantially on its ability to recruit, train and retain capable account officers and credit marketing officers ("CMOs").

The Group's vehicle financing business depends substantially on qualified personnel, particularly capable account officers and CMOs, with local knowledge in client procurement, credit risk assessment skills, loan disbursement and instalment collections. As Indonesia lacks an independent consumer credit reporting agency from whom the Group can obtain credible information regarding individuals' finances and creditworthiness, the Group relies on its account officers and CMOs and its credit analysts to evaluate potential borrowers. Developing the skills and competencies required of the Group's account officers and CMOs is time consuming as training can take two to three months. In addition, as the Group's vehicle financing business continues to shift away from motorcycle loans towards a more balanced portfolio, account officers, i.e. officers that are focused on motorcycle loans, may need to be retrained to become CMOs, i.e. officers that handle other types of vehicle loans, such as passenger car loans, in order to align the Group's workforce with its desired loan mix. Furthermore, the Group's ability to expand and capture a larger share of the vehicle financing market is dependent on having a sufficient number of account officers and CMOs able to process and review applications for new loans. If the Group cannot hire additional, train enough or retain existing account officers and CMOs, its ability to expand its vehicle financing business may be materially impaired and the Business could be materially and adversely affected.

The Group has limited independent information regarding the credit history and status of potential financing customers.

The Group believes that Indonesian lending institutions generally have limited independent information regarding the credit history of potential borrowers in Indonesia, including repayment histories. Limited access to credit history information is a risk which the Group's financial services business must consider when extending credit, and as a result, the Group's financial services business staff must prepare internal assessments of the creditworthiness of the Group's customers. The lack of complete and detailed information regarding the credit history and status of potential borrowers makes it difficult for the Group's financial services business to reliably assess the creditworthiness of potential borrowers and therefore accurately manage their risk profile of exposure, which could have a material and adverse effect on the Business.

The Group's financing receivables portfolio contains a large proportion of motorcycle loans, which historically have had a high default rate relative to loans for four-wheeled vehicles.

Motorcycle loans represent a substantial portion of the Group's financing receivables portfolio. Historically, motorcycle loans have been considered riskier than loans for four-wheeled vehicles because their default rate has historically been relatively higher. In the past, there was no regulation requiring down payments for motorcycle loans, which may have led to increased incentive to default. In recent years, the Indonesian authorities have promulgated regulations on down payments for consumer financing for vehicles by a finance company, requiring consumer finance loans to include a minimum down payment for various categories of vehicles.

In addition, in the case of default, repossessing motorcycles is typically more difficult than repossessing four-wheeled vehicles, as motorcycles are smaller and generally harder to locate. Thus, recovery rates for motorcycle loans in default have historically been lower than for other types of vehicle loans. If any of these risks materialise, it could materially and adversely affect the Business.

The IMAS Group has implemented a strategy to limit its exposure to motorcycle loans, which have historically generated a higher net interest margin than loans for four-wheeled vehicles.

In recent years, the IMAS Group has undertaken a strategy to diversify its financing receivables portfolio and improve its loan asset quality by decreasing the number of motorcycle loans in its portfolio and extending more loans for four-wheeled vehicles. Loans for four-wheeled vehicles have typically generated smaller net interest margin than motorcycle loans as they are considered to be less risky. If the IMAS Group is unable to make up for the loss of net interest margin by benefitting from lower exposure to risk, its margins and results of operations may decline compared to periods in the past and the Business may be materially and adversely affected.

The Group's inability to recover the full value of collateral or amounts outstanding under defaulted vehicle finance agreements in a timely manner or at all could materially and adversely affect the Business.

For each vehicle financing arrangement, the Group approves an amount of credit that is less than the value of the vehicle which it takes as collateral. The Group takes the vehicles purchased by borrowers as collateral.

Furthermore, the Group requires a certain level of down payment as a percentage of the total value of the collateralised vehicle which is based upon credit risk assessments of its CMOs. The value of the collateral, however, generally declines during the term of the loan for a variety of reasons, including depreciation and deterioration. As a result, if the Group's vehicle finance customers default, the Group may receive less money from liquidating collateral than is owed under the relevant financing facility, and, in turn, incur losses, even where the Group successfully seizes and liquidates the collateral.

Furthermore, the Group may also encounter difficulties in seizing and liquidating collateral. When a customer defaults under a vehicle loan, the Group typically repossesses and sells the collateral to third parties in the secondary market. Although within 30 calendar days of the issuance of a vehicle finance loan, the Group registers the security interest with the Indonesian Fiduciary Registration Office and receives a certificate which allows for repossession in the case of default and also secures a power-of-attorney from the borrower which allows the Group to sell the vehicle if it is repossessed, there is no assurance that the Group will be able to do so successfully. The Group may face additional delay and expense in selling repossessed vehicles. If the Group is unable to repossess and sell the vehicles securing loans in default, the Group may incur losses and the Business may be materially and adversely affected.

If the Group's provisioning requirements are insufficient to cover its existing or future levels of non-performing vehicle finance loans, its ability to raise additional capital and debt funds as well as the Business could be materially and adversely affected.

The Group maintains an allowance for loan losses which reflects its estimates of inherent losses for loans in its financing receivables portfolio. If the allowance is inadequate, the Group would recognise the losses in excess of that allowance as an expense and the Group's results of operations would be adversely affected. A material adjustment to the Group's allowance for loan losses and the corresponding decrease in earnings could limit its ability to raise capital or obtain financing, thus impairing the Group's ability to finance its business.

The Group's provisioning requirements may be inadequate to cover increases in non-performing financing receivables. If the Group's provisioning requirements are insufficient to cover its existing or future levels of non-performing financing receivables or if future regulation requires the Group to increase its provisions, the Group's ability to raise additional capital and debt funds as well as the Business could be materially and adversely affected.

The Group's vehicle rental business relies on securing and extending long-term rental contracts with its customers.

Indorent's vehicle rental business focuses on securing and extending long-term rental contracts, which have an average term of approximately three years, with its customers. Indorent's ability to secure and extend long-term contracts depends on a number of factors, including the quality of its services and vehicles, its prices and competition within the long-term vehicle rental market. An inability to secure and extend long-term contracts could have a material and adverse effect on the Business.

The vehicle rental business is characterised by substantial fixed costs.

The vehicle rental business is generally characterised by substantial fixed costs, primarily related to capital expenses for vehicles, staff costs, management costs, infrastructure costs relating to the Group's call and dispatch centres, costs of building and the maintenance of Indorent's fleet and information technology. Fixed costs related to Indorent were approximately Rp169 billion for the nine-month period ended 30 September 2014, primarily relating to depreciation of rental vehicles, insurance of vehicles and license expenses. A shortfall in expected revenue levels could have a material and adverse impact on the Business.

If Indorent is unable to maintain a high level of customer satisfaction and loyalty, it may not be able to attract or retain customers.

Customer satisfaction is critical to the success of Indorent's business. Indorent does not typically engage in traditional marketing or advertising. In addition, from time to time, Indorent's customers may express dissatisfaction with its products and services, including its vehicle availability or response time for questions or incidents relating to its vehicles. To the extent dissatisfaction with Indorent's products and services is widespread or not adequately addressed, its reputation could be harmed and its efforts to build and strengthen its brand equity would be adversely impacted, which could harm its ability to attract new and retain existing customers and may materially and adversely affect the Business.

The Group faces risks related to the residual value of its rental vehicles.

Indorent bears all of the risks related to the residual value of its rental vehicles. Automobile manufacturers in Indonesia typically do not offer guaranteed depreciation or vehicle repurchase programmes to rental companies. When Indorent acquires rental vehicles, it estimates the period that it will hold these vehicles and their residual value at the expected time of disposition. As Indorent continue to expand its fleet, the number of used vehicles it needs to dispose of is likely to grow, which may increase the risks related to the residual value of its rental vehicles.

In addition, a variety of reasons could cause the used car market to experience considerable downward pricing pressure, which could affect Indorent's ability to realise the residual value of its used vehicles and may adversely affect its results of operations and financial condition. For example, a decline in new car sales prices may drive down used car sales prices or discourage consumers from buying used cars. A decline in the reputation of a manufacturer of vehicles included in the Group's fleet could reduce the residual values of those vehicles, particularly if the manufacturer were to unexpectedly announce the eventual elimination of a model or immediately cease manufacturing them altogether. Similarly, a large number of used vehicles for sale from Indorent's competitors or other sellers around the same time that Indorent is disposing of used vehicles may also impose additional pricing pressure on Indorent. Any adverse changes in Indonesia's macroeconomic conditions may reduce the demand for used cars in Indonesia and adversely affect Indorent's ability to dispose of used vehicles. If any of these risks materialises, the Business could be materially and adversely affected.

Indorent faces risks associated with sourcing vehicles for its fleet and potential safety recalls affecting vehicles in its fleet.

Indorent currently sources its rental fleet from a variety of automobile manufacturers. Its vehicles may be subject to safety recalls by their manufacturers that could have a similar negative impact on Indorent's business when it removes such recalled vehicles from its rentable fleet. If a large number of cars were to be the subject of simultaneous recalls, or if needed replacement parts were not in adequate supply, Indorent may not be able to have the vehicle repaired within an acceptable timeframe or provide a sufficient number of replacement cars, and may face liability or other claims as a result. Depending on the nature and severity of the recall, it could adversely create customer service problems, reduce the residual value of the cars involved, harm Indorent's general reputation and/or have a material and adverse effect on the Business.

The Group may be required to obtain licences for the operation of its vehicle rental business and/or to provide truck rental services for logistics purposes to the clients of Indorent.

As of the date of this Offering Circular, there is no rule or legislation which specifically requires a company providing vehicle rental or truck rental services for logistics purposes services to corporate customers to be licenced. The Indonesian government may impose rules or legislation requiring such licenses in the future. There is no assurance that the Group will be able to obtain such licences and, in such an event, the Group would be prevented from conducting its vehicle rental business or truck rental services for logistics purposes which would have a material and adverse effect on the Business.

The Group faces increasing competition from other automotive companies which could materially and adversely affect its Business.

The Group faces intense competition in its automotive businesses. The Group's distributorship and dealership operations face competition from other automotive companies in Indonesia, which distribute passenger cars, commercial vehicles and heavy equipment which compete with the models distributed by the Group. The financing products of the Group compete with products offered by other vehicle finance companies and major Indonesian banks. The spare parts business of the Group competes with both original parts sold by manufacturers and other generic after-market parts sold by other spare parts trading companies. Intensified competition in the Indonesian automotive industry may result in increased costs for parts, labour and promotion and advertising, all of which may materially and adversely affect the Business. There is no assurance that the Group will be able to compete successfully in the future against its existing or potential automotive competitors or that increased competition with respect to its automotive activities may not materially and adversely affect the Business.

The Group's automotive business is subject to governmental rules and regulations.

The automotive industry in Indonesia is subject to various rules, regulations and policies imposed by regulatory authorities in Indonesia. The Indonesian government may introduce new policies or amend or abolish existing policies at anytime. These changes may have a material and adverse impact on the Business. For instance, any change in the current import duty framework in Indonesia could potentially significantly alter incentives for companies to assemble vehicles from imported CKD parts, or discourage foreign car manufacturers from continuing their joint venture partnerships with their Indonesian partners like the IMAS Group. Failure to comply with these laws and regulations can result in penalties or other sanctions. If any such significant changes are implemented by regulatory authorities in Indonesia, the Business may be materially and adversely affected.

In addition, the Group is subject to regulations under Indonesian environmental laws by the Ministry of Environment and the provincial environmental authorities where the Group operates its assembly facilities. Please see the risk factor entitled "*The Group is subject to environmental controls and could incur significant costs related to environmental matters*" for more information.

There are currently no laws or regulations which limit the number of vehicles on roads in various cities in Indonesia. However, motor vehicles may be restricted from entering certain areas such as tourist attractions or face restriction in entering certain parts of the city during stipulated times. Furthermore, with regard to vehicle ownership regulations, the Indonesian government does not expressly limit vehicle ownership. However, the Indonesian government attempts to limit personal vehicle ownership by imposing progressive vehicle tax depending on the number of vehicles owned. There is no assurance that the Indonesian government will not impose higher progressive vehicle tax in the future which may materially and adversely affect the Business.

The Group is exposed to the credit risks of its customers.

The Group extends credit terms of typically 14 to 60 days to its corporate customers and government agencies, including fleet customers who have long-term relationships with the Group, in the ordinary course of its automotive business. The Group also provides vehicle financing services. The provision of credit terms in the ordinary course of the Group's automotive business and the vehicle financing services by the Group subject the Group to the risks of default and/or late payment by its customers. Although the Group regularly reviews its credit exposure to its customers, default risk may nevertheless arise from, *inter alia*, events or circumstances that may be difficult to anticipate, detect or control, such as bankruptcy of any of the Group's customers. Any major default on trade receivables owing to the Group by its customers may materially and adversely affect the Business.

There is no assurance that the integration of the existing business of the Gallant Group and the business of the IMAS Group will be successful.

The IMAS Acquisition presented an opportunity for the Gallant Group to diversify from its previous lines of businesses and create a new revenue stream for the Gallant Group. However, there is no assurance that the businesses of the Gallant Group and the IMAS Group can be integrated successfully. If the businesses of the Gallant Group and the IMAS Group are not integrated successfully, the Business may be materially and adversely affected.

If goodwill arises from the IMAS Acquisition, the impairment of goodwill in FY2013 or subsequent financial periods may materially affect the income statement and financial position of the Group.

The completion of the purchase price allocation related to the IMAS Acquisition may result in goodwill being recognised in the financial statements of the Group for FY2014. The goodwill represents an excess of the consideration transferred arising from the IMAS Acquisition over the fair values of the net identifiable assets and liabilities. The actual goodwill will be determined and will be accounted for in accordance with the accounting policies of the Group. The accounting policies also require the goodwill to be tested for impairment on an annual basis or more frequently if there is indication of impairment. This assessment may lead to an impairment charge to be recorded in the income statements of the Group in FY2014 or subsequent financial periods. Any impairment charge against the goodwill could have a material negative impact on the profits of the Group to be reported in respect of FY2014 or subsequent financial periods.

The Company's due diligence on the IMAS Group may not have revealed all relevant facts.

The due diligence investigation by the Company into the IMAS Group (which was acquired by the Company in 2013) may not have revealed all information relevant to the assessment of the impact of the IMAS Acquisition on the Gallant Group. There is no assurance that the due diligence investigation conducted on the IMAS Group will surface all material issues that may be present in the IMAS Group's business and operations, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of IMAS' business and operations beyond the Company's control will not later arise. Unexpected risks may also arise and previously known risks may materialise in a manner inconsistent with the Company's preliminary risk analysis. If such an event were to occur, the Business may be materially and adversely affected.

The Company's shareholding in IMAS may be diluted in the future due to capital requirements.

The working capital and capital expenditure needs of IMAS may vary materially from those presently planned, depending on numerous factors, including its strategic alliances, marketing and distribution strategies and other factors which cannot be foreseen. If IMAS does not meet its goals with respect to revenues, or if costs are higher than anticipated, substantial additional funds may be required. Even if IMAS exceeds its goals, its success may introduce new opportunities that may have to be fulfilled quickly and this could also result in the need for substantial new capital. To the extent that funds generated from operations have been exhausted, IMAS may have to raise additional funds to meet the new capital requirements. These additional funds may be raised by way of a limited placement or by a rights offering or through the issuance of new shares. If the Company, as a shareholder of IMAS following the completion of the IMAS Acquisition, is in such event unable or unwilling to participate in such fund raising, the Company may suffer dilution in its investment in IMAS which may have a material and adverse effect on the Business.

RISKS RELATING TO THE GROUP'S INDUSTRIAL PARKS BUSINESS

The rental prices paid by the Group's industrial park tenants may be subject to revision.

Indonesian regulations, relating to industrial parks, authorises the Indonesian Minister of Industry to set a benchmark price for sale or rental of plots of land or buildings in industrial parks based on the recommendation of a designated team formed by the Indonesian Minister of Industry. As at the date of this Offering Circular, the Indonesian Minister of Industry has not yet issued or set such a benchmark price. Should a benchmark price be set, the Group's ability to determine the sale or rental prices of land or buildings in its industrial parks will be directly affected. In the event the benchmark price is lower than the Group's prices, the Group will be required to charge a lower rent to its industrial parks tenants and sell its factories and industrial park land at a lower price to investors, which may materially and adversely affect the Business.

The loss or a downturn in the business of the Group's key tenants and other occupants could have an adverse effect on the Group.

If the Group's tenants and other occupants were to experience financial difficulties, including bankruptcy, insolvency or a general downturn of business, or if the Group fails to retain their patronage, the Business could be adversely affected. In addition, the Group's tenants at one or more of its properties might terminate their leases as a result of bankruptcy or insolvency. The bankruptcy and/or closure of one or more of the Group's significant tenants could have a material adverse effect on both the operating revenues and underlying value of the properties involved if the affected space cannot be successfully re-leased. In addition, in the event that any of the Group's tenants does not renew its lease, the Group will need to find a replacement tenant or tenants, which could result in periods of vacancy and/or refitting during which it would not receive rental income. Furthermore, there is no assurance that if the Group did re-lease the affected space, such leases would be on terms that are as favourable as existing leases. The occurrence of any of the above events could have a material and adverse impact on the Business.

The tenants and other occupants of the Group's industrial parks are concentrated in a limited number of industries, which may subject the Group to an increased risk of significant loss if any of these particular industries experience downturns.

The revenue and profits of the Group's industrial parks business are dependent on tenants and other occupants in the electronics, electrical and precision parts manufacturing sectors in both Batamindo Industrial Park and Bintan Industrial Estate. A number of the tenants and other occupants of the Batamindo Industrial Park and Bintan Industrial Estate are in the electronics, electrical and precision parts manufacturing sectors. As a result, a downturn in any of these industries may have a material adverse effect on the Business.

Highly leveraged tenants and other occupants may be unable to pay rent, which could adversely affect the Group.

Some of the Group's tenants and other occupants in its industrial parks may be highly leveraged and/or may have recently been either restructured using leverage, or acquired in a leveraged transaction. Tenants and other occupants that have experienced leveraged restructurings or acquisitions will generally have substantially greater debt and substantially lower net worth than they had prior to the leveraged transaction. In addition, the payment of rent and debt service may reduce the working capital available to leveraged entities and prevent them from devoting the resources necessary to remain competitive in their industries.

In situations where management of the tenant or purchaser changes after a transaction, it may be difficult for the Group to determine with certainty the likelihood of the tenant's or purchaser's business success or its ability to pay rent throughout the lease term. These companies generally are more vulnerable to adverse economic and business conditions, and increases in interest rates.

Leveraged tenants are more susceptible to bankruptcy than those which are unleveraged. Bankruptcy of a tenant could cause, among other things:

- the loss of lease payments to the Group; and
- an increase in the costs the Group incurs to carry the property occupied by such tenant.

The Group's ability to secure and retain tenants and other occupants is dependent on its ability to provide high-quality services to its tenants and other occupants.

The Group's ability to continually secure lease renewals and attract new tenants to its industrial parks and other occupants in the face of competition is dependent on, *inter alia*, its ability to maintain and upgrade its current facilities, which requires capital and other expenditures. The Group's inability to adequately maintain its facilities and standards of service may result in tenants not renewing their leases or occupants shifting their operations to facilities provided by its competitors and could also affect its ability to secure new tenants and other occupants. As a result, the Business may be materially and adversely affected.

Increase in labour costs in Batam or Bintan may make continued or new operations at the Group's industrial parks less desirable to its current and future tenants and other occupants.

The tenants and other occupants in its industrial parks are mainly labour-intensive manufacturing companies. Any increase in the statutory minimum wages for employees in Batam or Bintan may render the Group's industrial parks less cost competitive. In addition, Indonesian labour laws may cause potential and existing tenants and other occupants to choose other industrial parks located outside of Indonesia. Labour costs are a factor considered by prospective tenants or other occupants in deciding whether to lease or invest in premises in the Group's industrial parks and by the Group's existing tenants in deciding whether to renew their existing leases with the Group. Should the Group's industrial parks become less cost competitive or should the Group's existing tenants not renew their existing leases with the Group on favourable terms or at all, the Business may be materially and adversely affected.

There is no assurance that any special incentive granted to tenants and other occupants in Batamindo Industrial Park and Bintan Industrial Estate will continue indefinitely.

The Group's tenants and other occupants at its industrial parks currently benefit from the Generalised System of Preferences and Bonded Zone Plus status, which provide for the exemption from import duties, value-added tax, tax on luxury goods, sales tax and customs duties with respect to goods produced in the Group's industrial parks. There can be no assurance that the incentives granted by the Indonesian government and other governments will continue indefinitely. In the event that these incentives and benefits are withdrawn, the Group may not be able to renew current tenancies or secure new tenancies or investors, which may materially and adversely affect the Business.

Most of the Group's properties' tenancy leases in its industrial parks are typically for periods of up to three years, which exposes its properties to significant rates of lease expiry each year.

Most of the tenancies for the Group's properties' tenancy leases in its industrial parks are typically for periods of up to three years. As a result, the Group's properties experience lease cycles in which a significant number of leases expire each year. Based on the Group's current leases, approximately 16.53 per cent., 22.35 per cent. and 24.92 per cent. of its properties in terms of total built up area will expire in 2014, 2015 and 2016, respectively or approximately 20.61 per cent., 27.87 per cent. and 31.07 per cent. of its properties in terms of net lettable area will expire in 2014, 2015 and 2016, respectively. The high number of leases expiring in any particular year exposes the Group to certain risks, including the risk that vacancies following expiry of leases may lead to reduced occupancy rates, which may in turn reduce the Group's gross revenue.

In addition, the amount of rent and the terms on which lease renewals and new leases are agreed may be less favourable than current leases. If a large number of tenants do not renew their leases in a year and are not replaced by new and/or existing tenants, or if new tenants do not enter into leases on terms that are as or more favourable than the terms of the expiring leases, it could materially and adversely affect relevant properties and affect the Business.

The Group's industrial parks business is subject to competition from other industrial parks.

The Group's industrial parks compete on the basis of service quality, rent, labour costs, and the availability of integrated services. The Group competes with owners, managers and operators of industrial parks in Singapore, Vietnam, Malaysia, the PRC and other parts of Indonesia. The Group's competitors may have substantially greater marketing and financial resources than it has. There can be no assurance that prospective or current tenants or other occupants will not seek industrial parks in locations elsewhere in Bintan or Batam or outside of Bintan and Batam, which could materially and adversely affect the Business.

For example, Jurong Town Corporation's business parks, light industrial and built-to-suit properties in Singapore, such as Paya Lebar iPark, are in competition with Batamindo Industrial Park and Bintan Industrial Estate for tenants and investors. Newer industrial parks in the region provide significant additional capacity and may compete with the Group's industrial parks for tenants and investors.

Demand for the Group's industrial parks and its utilities services correlates to the growth of international trade.

The companies that use the Group's industrial parks and its utilities services are primarily global manufacturers that export products to overseas markets and the growth of demand from these companies generally correlates to the growth of international trade. As a result, increases in tariffs or other barriers to international trade may negatively impact demand for the Group's industrial park and utilities services, which may thus have a material and adverse effect on the Business.

RISKS RELATING TO THE GROUP'S RESORTS OPERATIONS BUSINESS

The revenues and profits of the Group's resort operations business are dependent on the resort operators to whom the Group provides services and their performance.

The revenues and profits of the Group's resort operations are dependent on the profitability of the resort operators to whom it provides its services. The hotel and resort industry is highly competitive and there can be no assurance that new or existing hotels or resorts in competing destinations will not significantly lower their rates or offer better services or amenities or significantly expand or improve their facilities, thereby adversely affecting the resort operators the Group services. In addition, a number of factors may materially and adversely affect the Business, either directly or indirectly, through their impact on the business of the resort operators the Group services. These include:

- the Group's ability to form successful relationships with international and local resort operators to run the Group's hotels;
- oversupply of available rooms, which could adversely affect occupancy rates and average daily rates and, therefore revenue per available room;
- labour disputes over wages, employment and other matters;
- adverse changes in the global economy, which may diminish the demand for leisure travel;
- changes in tourism and travel patterns resulting from a range of factors, including, but not limited to, increased threats of terrorism, airline strikes, the outbreak of infectious diseases and increased airline fares and travel-related expenses;
- the seasonality and variability of leisure travel and tourism resulting from a variety of factors, including, but not limited to, school vacation periods, public holidays in the Group's major markets and weather conditions;
- increases in operating costs due to inflation, labour costs and taxes;
- changes in regulations, policies and incentives or changes in application of regulations, policies and incentives in Indonesia; and
- business interruptions, increased costs and decreased demand due to natural disasters, such as earthquakes, volcanic eruptions, tsunamis, fires and floods, and their consequences.

Visitor arrivals to Bintan Resorts may be adversely impacted by travel advisories and negative publicity related to Bintan or Indonesia more generally.

Indonesia is subject to negative publicity and the issuance of travel advisories from countries warning their citizens about the risks of travelling to Indonesia, including Bintan. Travel advisories may be issued for various reasons, including political instability, public health issues or potential or perceived threats to personal safety from extremist groups or natural disasters.

In addition, Bintan Resorts is located in a malaria-prone area and, although the Group currently has in place malaria prevention and vector monitoring facilities, if an outbreak were to occur, any resulting travel advisories or negative publicity may adversely affect the number of visitors to Bintan Resorts. Any resulting decline in the number of tourists to Bintan could materially and adversely affect the Business.

The Group is vulnerable to damage to the environment in Bintan.

Bintan is located near a busy international shipping lane. A major shipping accident involving a spill of oil or hazardous or toxic substances could cause environmental damage to the beaches in Bintan Resorts, resulting in temporary closure for cleaning and other remedial actions. Sand mining activities in areas outside Bintan Resorts, if permitted, may also potentially have an adverse impact on the shoreline of the beaches in Bintan Resorts. This will affect the attractiveness of Bintan Resorts to tourists. Any damage to the local environment in Bintan may affect visitor arrivals, which in turn, may materially and adversely affect the Business.

Negative publicity from demonstrations by local inhabitants may affect the Business.

Local villagers have been known to demonstrate outside Bintan Resorts' boundaries, resulting in negative media coverage. This can discourage visitors from coming to Bintan, which in turn may materially and adversely impact the Business.

Potential restrictions in accessing Singapore and competition from other ferry operators or budget airlines may affect the Group's resort operations business.

Access to Bintan Resorts for international visitors is mainly via the Group's ferry service running from the Tanah Merah Ferry Terminal in Singapore to the Group's Bandar Bentan Telani Ferry Terminal in Bintan. In the event that international visitors' access to Singapore is restricted, this will directly affect their access to Bintan Resorts and this will have an adverse impact on the Business. The Group was, until recently, the sole ferry operator of ferry services between Bintan and Singapore. There can be no assurance that the Group will be able to continue operating from Tanah Merah Ferry Terminal, or that there will not be additional ferry operators in the future. Increased competition from additional ferry operators, the introduction of budget airlines or any restrictions or changes in policy which affect the Group's right to operate this ferry service may negatively impact its revenues from ferry services and its ability to continue providing such services and may materially and adversely impact on the Business.

Adverse changes in economic conditions in Singapore may negatively impact visitor arrivals to Bintan.

As many of the visitors to Bintan Resorts come from Singapore, adverse changes in economic conditions in Singapore may negatively impact visitor arrivals to Bintan. If the number of visitor arrivals declines, demand for the Group's resort operations services may also be adversely affected. In addition, a decrease in visitor arrivals may reduce demand for the Group's future planned developments at Bintan Resorts. In such an event, the Business could be materially and adversely affected.

RISKS RELATING TO THE GROUP'S UTILITIES BUSINESS

Increases in fuel prices will affect the Group's business.

The Group's power generation operations consume significant amounts of fuel. Fuel used for the Group's utilities business accounted for approximately 14.0 per cent. of its total cost of sales in FY2012. In FY2013, it accounted for approximately 1.3 per cent. (including the IMAS Group) of the Group's total cost of sales. There is no assurance that the Group will be able to pass on any increase in fuel prices to its customers by increasing utility prices. Whilst fuel prices have decreased recently, any future increases in fuel costs could adversely impact the Group's operating costs and the Business.

The Group relies on a limited number of suppliers for its fuel and failure or delay by any of them in delivering fuel to the Group could adversely impact its power generation operations.

The Group purchases substantially all of its fuel oil, including high sulphur fuel oil and light fuel oil from PT Pertamina (Persero) and/or its affiliates. The Group purchases all of its natural gas from PT Perusahaan Gas Negara (Persero) Tbk, an Indonesian state-owned power company. While the Group has entered into agreements with PT Pertamina (Persero) and its subsidiaries, PT Elnusa Harapan Cabang Batam, PT Patra Niaga and PT Perusahaan Gas Negara (Persero) Tbk, for the supply of fuel, there can be no assurance that any renewal of these agreements will be on similar terms as the existing agreements. If the Group fails to develop new relationships or maintain its existing relationship with them and other fuel oil suppliers, or should the suppliers encounter difficulties in the production or delivery of fuel oil to the Group, including due to financial difficulties or natural disasters, or otherwise fail to supply fuel according to the Group's requirements, it may be difficult for the Group to find alternative providers on a timely basis and on commercially reasonable terms and the Business may be materially and adversely affected.

The Group's utilities business is dependent on its industrial parks and resort operations businesses.

Revenue from the Group's utilities business is currently derived from the Group's tenants and other occupants in its industrial parks and from the resort operators in Bintan Resorts. As a result, a downturn in the Group's industrial parks and resort operations and other business lines may have a negative impact on its utilities business and operations. For example, due to the recent global financial crisis, the Group experienced a decline in occupancy and revenue from its industrial parks business in 2009 due to the financial difficulties of its tenants and other occupants, and as a result of this decline, revenue from the Group's utilities business also experienced a significant drop. Any decline to the industrial parks and resort operations business could result in a decrease in revenue to the Group's utilities business which may in turn materially and adversely affect the Business.

The Group is dependent on certain natural sources of water for its water treatment and supply operations.

The Group provides treated water to its industrial parks in Batam and Bintan and resort operators in Bintan, which is either treated by and purchased from a third party or treated by it. In Batam, the Group's water is sourced from local government-owned reservoirs at Muka Kuning and Duriangkang. The Group has also entered into a purchase agreement with a third-party supplier of raw and treated water from a local water supplier in Batam. In Bintan, the Group's water is sourced from its reservoirs at Lake Java and Bintan Resorts. If the water levels of these sources were to significantly drop, due to drought, overuse or any other reason, the Group may not be able to meet its customers' water needs and its water treatment operations may be adversely affected.

In Batam, the Group obtains raw water (which the Group then treats or processes) and processed water, for supply to its tenants and other occupants at Batamindo Industrial Park. Raw water is purchased from the Batam Industrial Development Authority ("**BIDA**") and raw water and treated water is purchased from a local supplier, PT Adhya Tirta Batam. Water purchased from BIDA is sourced from the Muka Kuning reservoir. If BIDA were to terminate the Group's approval to extract water from the Muka Kuning reservoir, it would be difficult for the Group to find alternative sources of water to satisfy its customers' needs on a timely basis and on commercially reasonable terms and the Business may be materially and adversely affected.

The Group may face the risk of loss of potable water and risk of contamination.

Potable water produced from the Group's treatment plants is distributed through a network of pipes, including underground pipes. As high pressure is used to move the potable water, it is possible that leakage from these pipes may occur. If this happens, the Group's water treatment operations may be adversely affected.

There is also the possibility that contamination of the potable water could occur during its distribution to the tenants and other occupants of the Group's industrial parks or resort operators in Bintan Resorts. Such occurrences could reduce the Group's ability to attract and retain customers and materially and adversely affect the Business.

Disruption in the operations at one or more of the Group's utilities plants and facilities may adversely affect the Group's business and operating results.

The operation of the Group's facilities involves many risks, including power failures, the breakdown, failure or sub-standard performance of equipment, natural disasters, catastrophic incidents such as fires and explosions and normal hazards associated with operating complex infrastructure. If there were a significant interruption of operations at one or more of the Group's key facilities and such operations could not be transferred to other locations, the Group may not be able to meet the needs of its customers, which could materially and adversely affect the Business.

The Group's telecommunications services are currently carried through its own networks, the networks of local fixed-line operators, the networks of international operators and other network-related infrastructure. The Group's ability to provide telecommunications service depends on the stability of this integrated network. This network may be vulnerable to damage or interruptions in operation due to earthquakes, tsunamis, fires, floods, power losses, acts of terrorism, communications failures, network software flaws, transmission cable cuts or other events. Any failure of this integrated network or any link in the delivery chain that results in an interruption in the Group's telecommunications services, whether from operational disruption, natural disaster, the Group's failure to maintain its infrastructure or otherwise, could reduce its ability to attract and retain customers, which could materially and adversely affect the Business.

The Group's business depends on interconnection agreements with other operators and the reliability of its telecommunications infrastructure.

The Group's cellular telecommunication services depend to a large extent on interconnection agreements with other telecommunication operators. The Group's telecommunication access for International Direct Dial and internet connections out of Indonesia is purchased substantially from PT Telekomunikasi Indonesia (Persero) Tbk and its subsidiary, PT Telekomunikasi Selular. To date, the Group has not experienced any material disruption under its interconnection agreements. However, any disruption under its interconnection agreements in the future as a result of natural events, accidents, failure by PT Telekomunikasi Indonesia (Persero) Tbk to perform its contractual obligations, regulatory, technological, competitive or any other causes could result in service disruptions, which could have a material adverse effect on the Group's telecommunication services. In addition, adverse changes to the terms of the Group's interconnection agreements or the Group's failure to enter into or renew interconnection agreements on commercially acceptable terms in the future could result in higher interconnection or other operating expenses.

The Group's provision of telecommunication services to its customers depends on the reliability and security of its telecommunications infrastructure. The Group's network is vulnerable to damage or interruptions in operations from natural disasters, fire, power loss, telecommunications system failures, network software flaws, transmission cable cuts, breaches of security, interference with access to towers and similar events. Any failure of the Group's telecommunications infrastructure that results in a major interruption in operations or provision of any service over prolonged periods could have a material and adverse impact on the Business.

RISKS RELATING TO THE GROUP'S PROPERTY DEVELOPMENT BUSINESS

The majority of the Group's assets are presently in real estate and as a result the Group is exposed to general risks associated with the ownership and management of property.

Real estate investments are generally illiquid, limiting the ability of an owner or developer to convert property assets into cash on short notice with the result that property assets may need to be sold at a discount under certain circumstances in order to ensure a quick sale. In addition, the Business (including the Group's income and the value of the Group's properties) may be materially and adversely affected by a number of factors, including:

- competition from other similar developments in Batam, Bintan or in other geographical markets that affect rental or occupancy levels of the Group's properties;
- vacancies following the expiry or termination of leases that lead to reduced occupancy rates which may reduce the Group's gross revenue and the Group's ability to recover certain operating costs;
- the Group's ability to collect or recover rent from tenants on a timely basis or at all;
- the amount and extent to which the Group is required to grant rebates to tenants due to pressures in the markets in which the Group operates;
- rental rates and the favourability of the terms on which the Group renews leases and enters into new leases, relative to the Group's current rental rates and lease terms;
- tenants seeking the protection of insolvency laws which could result in delays in receipt of rent payments, inability to collect rentals at all or the termination of leases;
- the Group's ability to develop, the time taken to develop or the Group's success in developing its resort properties, which could significantly change or increase the Group's financial or operating risk;
- changes in laws and government regulations in relation to real estate, including those governing usage, zoning, taxes, building standards, redevelopment, environmental protection and government fees. Ensuring compliance with such revisions may lead to an increase in management expenses or the operating expenses of the Group's tenants and/or the other occupants of the Group's industrial parks or unforeseen capital expenditures; and
- the national and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, space, changes in market rental rates and increases in operating expenses for the Group's properties).

Some or all of the Group's existing and planned projects may not be completed.

The Group's success and financial performance will depend on its ability to identify, develop, market and sell its developments in a timely and cost effective manner. The Group's development activities are subject to the risk of delays in obtaining required approvals, availability of raw materials, increases in construction costs, natural disasters, and reliance on third party contractors as well as the risk of decreased market demand during the development of a project. As a result of these and other factors, no assurance can be given as to whether or when existing and planned projects will be successfully completed. Non-completion of existing and planned projects may materially and adversely affect the Business.

The Lagoi Bay integrated resort development may not be successful.

Much of the Group's efforts in this business segment is currently focused on developing the Lagoi Bay integrated resort development, and the Group's success in selling plots in this development will be an important factor for the near- and medium-term performance of its property development business.

There can be no assurance that the Group will be able to sell or developers will be able to develop plots in the Lagoi Bay development on schedule due to a number of factors, including:

- delays in obtaining necessary licences, permits or approvals from governmental authorities;
- disagreements or delays with developers, in particular in respect of timetable, development plans, management and project execution;
- credit availability from financial institutions; and
- construction difficulties, including shortages of equipment or materials, work stoppages, weather interference, unforeseen engineering, design, environmental and geological problems, delays in receiving requisite licences or permits and unanticipated cost increases.

The Group has made significant capital contributions to the Lagoi Bay development that may not be offset by revenues or other benefits from the sale of plots. As of 30 September 2014, the aggregate capital expenditure incurred by the Group on the Lagoi Bay development was approximately S$82.5 million. Significant delays in the progress of this development could materially and adversely affect the Business.

Further, even assuming plots are sold and the project is developed as planned, there is no assurance that resorts and properties in this development will be well-received by the market. If the Group experiences any delay or difficulty in the sale of plots, there are delays or difficulties in the development of the project due to any of the factors listed above or the development is not well-received by the market, it could materially and adversely affect the Business.

Profits, if any, from the Group's property development business may be realised only in the long term.

The Group is the master planner for its land in Batam and Bintan. The Group has invested in, and expects to continue to invest in, the development of power plants, power distribution facilities, reservoirs and water treatment plants, all of which require significant capital expenditures. Returns on these investments can be expected only in the long term. The Group's ability to recover its investment is dependent on its ability to generate land sales revenue and utilities revenue. The protracted period for the Group to recover its investment or receive profits, if any, may materially and adversely affect the Business.

The Lagoi Bay integrated resort development faces competition that could have a material adverse effect on the Business.

The Lagoi Bay integrated resort development faces, and may in the future face, competition from other property developers in Bintan. Competition between property developers may result in, among other things, oversupply of properties, a decrease in property prices, an increase in construction costs, and difficulty in obtaining high quality contractors and qualified employees. The Group currently faces competition on Bintan primarily from Landmarks Berhad's Treasure Bay Bintan integrated development. The Group's competitors may have access to greater financial resources, greater economies of scale in purchasing and/or lower cost bases, which may give them a competitive advantage. There can be no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors or that increased competition with respect to its activities would not have a material adverse effect on the Business.

The Group is dependent on the quality of its title to properties in its land bank and its ability to renew or extend these titles.

The Group's land bank in Indonesia is based on "HGB" (Hak Guna Bangunan, the Right to Build) title, which gives the holder the right to build and own buildings on a plot of land. Owing to the nature of Indonesian property laws and the lack of uniformity in the land title registration system in Indonesia, there is potential for disputes over the quality of title purchases from previous landowners.

Once HGB title has expired, the Group may make an application to extend the term. The initial term for HGB title is a maximum of 30 years, which can be extended for an additional 20 years after the expiration of the initial term. Upon the expiration of the initial and additional extended term, the Group may apply for another 30-year term. As extension and renewal is at the sole discretion of the Indonesian government, there can be no assurance that approval will be obtained for renewal, or extension, in the future. If the Group is unable to extend and/or renew the HGB title upon the expiration of the existing HGB term, the relevant land will have to be returned to Indonesia, in the case of Bintan, or the State, in the case of Batam, and this will materially and adversely affect the valuation ascribed to the Group's properties and the Business.

The Group's land bank may be subject to Government Regulation No. 11 of 2010.

In January 2010, the government of Indonesia issued Government Regulation No. 11 of 2010 ("**GR 11/2010**") on the Administration and Utilisation of Unused Land (Penertiban dan Pendayagunaan Tanah Terlantar). Under GR 11/2010, the Indonesian government may revoke Hak Guna Usaha (Right to Cultivate), Hak Milik (Right of Ownership), HGB, Hak Pakai (Right of Use) or Hak Pengelolaan (Right to Manage) title, and reclaim land without any compensation over such land which has not been utilised or is not being utilised. The Indonesian government will commence identification of unused land upon the lapse of a period of three years from the issuance of title of such land, in accordance with the conditions or characteristics of the land and the purpose of the rights over such land or the basis of possession of the land. In the event that any part of land is concluded to be unused land, the local land office will issue three warning letters each having a one-month grace period, following which the local land office will then have the right to reclaim the land if it is still not utilised. However, unintentionally unused land which has been registered as Hak Milik or HGB and which is privately-owned or state-owned is exempted from GR 11/2010.

Lands acquired and held by property developers may not be utilised or developed for a period of three years or more. Use and development of such lands depend on a number of factors including market demand for property developments. GR 11/2010 may therefore affect lands that the Group has not yet developed or will not develop within three years from issuance of the relevant title. If this were to occur, the Indonesian government could issue up to three warning letters and thereafter revoke the title issued to the Group and reclaim the unused lands, even if such lands are secured. This may materially and adversely affect the Business.

The Group may not be successful in identifying suitable projects or properties, which may impede its growth.

The Group's ability to identify suitable projects is important to its property development business and involves certain risks, including identifying and acquiring appropriate parcels of land, appealing to the tastes of potential tenants and buyers of its properties, responding to their requirements and anticipating changing property, commercial and retail trends in Indonesia. In identifying and planning new projects, the Group also takes into account land use regulations, proximity to resources such as water and electricity and the availability of third parties such as architects, surveyors, engineers and contractors. The Group may not be successful in identifying suitable projects or properties that meet the demands of prospective tenants and buyers. Such failure could lead to a reduction in the number of projects the Group undertakes which would in turn, impede its growth and may have a material and adverse effect on the Business.

The Group's resorts expansion programme is subject to risks.

The Group is currently developing a resort expansion at Lagoi Bay. Its ability to implement this expansion programme, and the success of any new resorts, will depend on a number of factors, some of which are outside the Group's control, including the ability to obtain financing on competitive terms, competition in the Group's markets, availability and selection of suitable locations and maintenance of quality and efficient construction. In addition, rapid growth of the Group's resort operations may place additional demands on its management team and its financial reporting and information systems.

There can be no assurance that the Group's expansion plans can be achieved or that it will be able to recruit and retain suitable management and staff personnel to provide services to additional resorts. The Group's resort operations will also depend upon the political and economic climate and factors affecting the overall level of travel activity in the Group's markets, including changes in travel patterns and foreign exchange fluctuations. In the event that the Group's resorts expansion programme is interrupted or that such expansion plans are not achieved, the Business may be adversely and materially affected.

The Group's results of operations may fluctuate from period to period.

The Group's results of operations tend to fluctuate from period to period. The number of properties that the Group develops or completes during any particular period may be limited due to the substantial capital required for construction, as well as the lengthy development periods required before positive cash flows may be generated. In addition, several properties that the Group has developed or that are under development are large scale and are developed in multiple phases over the course of one or more years.

The Group faces significant property development risks before it realises any benefits from a development.

Property developments typically require substantial capital outlays during the construction periods, and it may take months or years before positive cash flows, if any, can be generated by pre-sales of incomplete properties or sales of completed properties. The time and costs required to complete a property development may increase substantially due to many factors beyond the Group's control, including the shortage or increased cost of material, equipment or technically skilled and other labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents, changes in government priorities and policies, changes in market conditions, delays in obtaining the requisite licences, permits and approvals from the relevant authorities and other unforeseeable problems and circumstances. Any of these factors, individually or in the aggregate, may lead to a delay in, or the failure of, the completion of a property development and result in costs substantially exceeding those originally budgeted. Failure to complete a property development according to its original plan, if at all, could give rise to potential liabilities and could materially and adversely affect the Business. As a result, the Group's returns on investments, if any, might not be recognised in a timely manner or might be lower than originally expected.

The Group's margins are sensitive to fluctuations in the cost of construction materials.

Construction costs is one of the significant components of the Group's cost of sales in its property development business. Construction costs encompass all costs for the design and construction of a project, including payments to third-party contractors, costs of construction materials, foundations, sub-structures, fittings, facilities for utilities and related infrastructure such as roads and pipelines. Historically, construction material costs have been the principal driver of the construction costs of the Group's property development projects, with the cost of third-party contractors remaining relatively stable. However, as most construction material costs are often included in the payments to the Group's contractors, it has been difficult for the Group to estimate such costs.

Construction costs may fluctuate as a result of the volatile price movement of construction materials such as steel and cement. The Group may seek to reduce its exposure to short-term price fluctuations of construction materials and limit project cost overruns by centralising its procurement to lower its purchase costs. The Group may also manage the cost of outsourced construction work through a process of tenders taking into account, among other things, a contractor's ability to procure supplies of principal construction materials such as steel and cement at fixed prices. In line with industry practice, if there is a significant price fluctuation (depending on the specific terms of each contract), the Group may be required to re-negotiate existing construction contracts. Additionally, should the Group's existing contractors fail to perform under their contracts, it might be required to pay more to replacement contractors under new contracts. The Group's margins may be affected by changes in the market prices for construction materials and its project margins will be adversely affected if the Group is not able to pass all or a sufficient quantity of the increased costs on to its customers. In the event that the Group is unable to mitigate the risks associated with the fluctuations in the cost of construction materials, the Business may be materially and adversely affected.

The Group may be adversely affected by performance of independent contractors.

In line with industry practice, the Group engages independent contractors to provide various property development services, including construction, piling and foundation, engineering, mechanical and electrical installation and utilities installation. The Group selects independent contractors through open tenders and obtains a minimum of three quotes. The Group typically invites contractors to tender bids based on criteria the Group establishes and evaluates them based on their reputation for quality, track record, price and references. Once a contract is awarded, the Group supervises construction progress. However, there is no assurance that the services rendered by any of these independent contractors or sub-contractors will be completed in a timely manner or be of satisfactory quality. If the performance of any independent contractor is not satisfactory, the Group may need to replace that contractor or take other remedial actions, which could increase the cost and lengthen the time required to complete the work and the whole project. Contractors may undertake projects for other developers, engage in risky or unsound practices or encounter financial or other difficulties, which may affect their ability to complete that contractor's work for the Group on time or within budget. Any of the above factors could materially and adversely affect the Business.

The Group is exposed to fluctuations in the property markets.

The real estate development industry is cyclical and is affected by changes in international and local economic conditions, including employment levels, availability of financing, interest rates, consumer confidence and demand for developed products, whether residential, commercial, retail or industrial. The process of development of a project begins, and financial and other resources are committed, long before a real estate project comes to market, which could occur at a time when the real estate market is depressed. Such a depression in the real estate markets could materially and adversely affect the Business.

Higher interest rates may have a significant impact on the demand for the Group's property developments.

An increase in interest rates may negatively impact the Group's property developments. High interest rates generally impact the real estate industry by making it harder for consumers to qualify for and secure financing, which can lead to a decrease in the demand for residential, commercial or industrial sites, which could negatively impact the demand for the property the Group has under development and thus materially and adversely affect the Business.

The Group's development is dependent on its ability to resettle squatters.

There are currently squatters located on some of the lands owned by the Group. Resettlement of these squatters is ongoing and the Group's ability to resettle them could impact the pace of development of such land.

RISKS RELATING TO CERTAIN INVESTMENTS

The Shanghai Property Project may not be successful.

In 2010, the Group invested in the MS Notes and the MS Warrants to subscribe for 202,500,000 shares, or approximately 99.9 per cent. of the share capital, of Market Strength, which effectively has an indirect 47.7 per cent. equity interest in Shanghai Project Co. Upon the exercise of the MS Warrants, the Group will be the single largest investor in the Shanghai Property Project. Development work has already begun on this project, and pre-sales for phase one of the southern plot of the Shanghai Property Project are expected to commence around mid-2015 and temporary occupation permit(s) for the units in respect of phase one of the southern plot of the Shanghai Property

Project is targeted to be obtained in the second half of 2016. Phase two of the southern plot of the Shanghai Property Project is expected to be completed by mid-2015 and the development of the northern plot is expected to commence in 2015 with the expected completion of the Shanghai Property Project to take place by 2017.

The Group had not invested in property projects outside Indonesia prior to the Shanghai Property Project and its success in this venture is subject to many factors and significant risks, including those described in this "*Risk Factors*" section of this Offering Circular. If and when the Group owns equity in this project, their pro rata allocation of profits and losses will be reflected in their income statement.

However, the Group will not actively manage the Shanghai Property Project. In the event that Shanghai Project Co is unable to successfully execute their development plans for the Shanghai Property Project or that the Group's investment in the MS Notes does not generate positive returns, the Business may be materially and adversely affected.

Sales and pre-sales of units of the Shanghai Property Project will be affected if mortgage financing becomes more costly or otherwise unattractive.

Potential purchasers of residential and commercial properties rely on mortgages to fund their purchases. An increase in interest rates may significantly increase the cost of mortgage financing. An increase in minimum down payment requirements for mortgage financing may reduce the attractiveness of mortgages as a source of financing for property purchases. Either of those measures or the suspension of mortgage financing may adversely impact the affordability of residential properties, which in turn could materially and adversely affect the success of the Shanghai Property Project.

Since 2003, the PRC government has promulgated a range of laws, regulations and government policies including mortgage financing as a means to regulate the PRC property market. Measures have included, for example:

- requiring a minimum down payment of at least 30 per cent. of the purchase price for the acquisition of the purchaser's first residential property (including his or her spouse and minor children) using housing reserves to buy an ordinary home with a unit floor area of more than 90 square metres for self-use;
- requiring a minimum down payment of at least 20 per cent. of the purchase price for the acquisition of the purchaser's first residential property (including his or her spouse and minor children) using housing reserves to buy an ordinary home with a unit floor area of 90 square metres or less for self-use;
- requiring a minimum down payment of at least 60 per cent. of the total purchase price with a minimum mortgage lending interest rate of 110 per cent. of the benchmark rate published by People's Bank of China ("**PBOC**") for the purchase of a second residential property through mortgage financing;
- requiring commercial banks to suspend mortgage loans to customers for purchase of a third or further residential property, or to non-residents who cannot provide proof of local tax or social security insurance payments for more than a one-year period;
- limiting the availability of second housing reserve loans to families whose per capita living area is below the average in their locality and requiring that such loans be used only to purchase an ordinary home for self-use in order to improve their living conditions; and
- suspending the availability of housing reserve loans where the purchase is for a third (or further) residential property.

For commercial property buyers, PRC banks are not allowed to finance the purchase of any pre-sold properties. The minimum down payment for commercial property buyers has been increased to 50 per cent. of the purchase price, with minimum mortgage loan interest rates at 110 per cent. of the relevant PBOC benchmark one-year bank lending interest rate and maximum maturities of no more than 10 years. In addition, mortgagee banks may not lend to any individual borrower if the monthly repayment of the anticipated mortgage loan would exceed 50 per cent. of the individual borrower's monthly income or if the total debt service of the individual borrower would exceed 55 per cent. of such individual's monthly income.

There can be no assurance that the PRC government will not further increase down-payment requirements, impose other conditions or otherwise change the regulatory framework in a manner that would make mortgage financing unavailable or unattractive to potential property purchasers or that such regulatory changes would not materially and adversely affect sales of units of the Shanghai Property Project. In such an event, the Business may be materially and adversely affected.

Shanghai Project Co's land may be forfeited to the PRC government if it fails to comply with the terms of the land grant contracts.

Under PRC laws and regulations, if a property developer fails to develop land according to the terms of the land grant contract (including those relating to payment of fees, designated use of land, time for commencement and completion of development of the land), the relevant government authorities may issue a warning to, or impose a penalty on, the developer, or require the developer to forfeit the land. Under PRC laws and regulations, if Shanghai Project Co fails to commence development within one year from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may serve a warning notice on Shanghai Project Co and impose an idle land fee on the land of up to 20.0 per cent. of the land premium. If Shanghai Project Co fails to commence development within two years from the commencement date stipulated in the land grant contract, the land may be subject to forfeiture to the PRC government unless the delay in development is caused by government actions, force majeure or necessary preparatory work.

For example, in the "Notice on Enhancing the Economical and Intensive Use of Land" promulgated by the State Council in January 2008, this policy was reinforced. This notice stated, among other things, that (i) policies in relation to the forfeiture of land use rights without compensation for land which has remained idle for more than two years shall be strictly implemented; (ii) if any land remains idle for one year, an idle land fee of 20 per cent. of the relevant land premium shall be levied; (iii) before June 2008, all provincial, regional and municipal governments are required to submit to the State Council reports on the status of the clearance and handling of idle land; (iv) the prohibition of land supply for villa projects shall continue; (v) the Ministry of Land and Resources and other authorities are required to research and commence drafting implementation rules concerning the levy of land appreciation fees on idle land; (vi) in relation to the supply of residential land, planning conditions such as plot ratio limits and the number and type of units that can be constructed shall be taken into account in land grant contracts and allocation decisions to ensure that at least 70 per cent. of the total land grant for residential development will consist of low-rent housing, economy housing, limited price housing and units of less than 90 square meters in size; and (vii) financial institutions are required to exercise caution when approving financing for any property developer who, after one year from the commencement date stipulated in the land grant contract, fails to complete at least one third of the development of their project or provide at least 25 per cent. of the total investment in the project. According to the "Notice on Implementation of the State Council's Certain Opinions on Resolving Residence Difficulties of Urban Low-income Families and Further Strengthening Macro-control of Land Supply" issued by the Ministry of Land and Resources in September 2007, even if the commencement of the land development is in compliance with the land grant contract, the land will be treated as idle land and the property developer may be restricted or prevented from participating in future bidding for land if (i) the developed GFA on the land is less than one-third of the total GFA of the project under the land grant contract or the total capital invested is less than one-fourth of the total estimated investment of the project under the land grant contract and (ii) there has been a suspension of the development of the land for over one year in time without government approval. This notice also called for control over supply of large land parcels and stated that the development period for an individual parcel of land in principle should not exceed three years.

There can be no assurance that circumstances leading to forfeiture of land or delays in the commencement of construction or the development of Shanghai Project Co's properties, or the completion of a property development will not arise in the future. If Shanghai Project Co is required to forfeit land, to pay idle land fees, or even to pay appreciation land premium, Shanghai Project Co will not be able to continue the Shanghai Property Project on the forfeited land or recover the costs incurred for the initial acquisition of the forfeited land or recover development and other costs incurred up to the date of forfeiture, the Business may be materially and adversely affected.

The land on which the Shanghai Property Project is situated or a part of it may be acquired compulsorily by the PRC government.

Under PRC laws and regulations, there are various circumstances under which the government of the PRC is empowered to acquire the land on which the Shanghai Property Project is situated or a part of it.

Whilst compensation may be payable by the PRC government for the acquisition of a property in the PRC, if the compensation paid for the acquisition of the land on which the Shanghai Property Project is situated or part of it is less than the market value, such compulsory acquisition by the PRC government would have an adverse effect on Shanghai Project Co and/or the Shanghai Property Project. In addition, even if the amount of compensation to be awarded is based on the open market value, the amount of compensation paid to Shanghai Project Co may be less than the price which Shanghai Project Co had paid for such assets. In such an event, the Business may be materially and adversely affected.

Shanghai Project Co is subject to legal and business risks if it fails to obtain or maintain qualification certificates.

Property developers in the PRC must obtain a formal qualification certificate in order to develop property in the PRC. According to the Provisions on Administration of Qualification of Real Estate Developers, newly established developers must first apply for a temporary qualification certificate, which can be renewed for a maximum of two additional one-year periods, by which time a formal qualification certificate must have been obtained. Before commencing their business operations, entities engaged in property management, construction, or fitting and decoration are required to obtain qualification certifications in accordance with the Measures on Administration of Qualification of Property Management Enterprises and the Provisions on Administration of Qualification of Construction Enterprises. Property developers in the PRC are required to produce a valid qualification certificate when they apply for a pre-sale permit. If the newly established property developer fails to commence a property development project within the one-year period when the provisional qualification certificate is in effect, it will not be allowed to extend its provisional qualification certificate. Experienced property developers must also apply for renewal of their qualification certificates every two to three years in most cities, subject to an annual verification by relevant governmental authorities. It is mandatory under government regulations that developers fulfil all statutory requirements before obtaining or renewing their qualification certificates.

All qualification certificates for property developers are subject to renewal on an annual basis. In reviewing an application to renew a qualification certificate, the local authority takes into account the property developer's registered capital, property development investments, history of property development and quality of property construction, as well as the expertise of the developer's management and whether the developer has any illegal or improper operations. Shanghai Project Co is responsible for the annual submission of its renewal application. If a company is unable to meet the relevant qualification requirements, the local authorities will normally grant that company, subject to a penalty, a grace period to rectify any insufficiency or non-compliance. Failure to satisfy the requirements within the specified time frame could result in rejection of the renewal application and revocation of the business license of the project company.

There can be no assurance that the qualification certificate of Shanghai Project Co will continue to be renewed or extended in a timely manner, or at all. If Shanghai Project Co is unable to obtain or renew its qualification certificate, it will not be permitted to engage in or continue its businesses, which could materially and adversely affect the Business.

Interpretation of the PRC laws and regulations involves uncertainty.

The taxation and real estate laws and in particular, the laws relevant to the rights of foreign investors and the entities through which they may invest are often unclear in the PRC where the Shanghai Property Project is located.

The PRC legal system is based on written statutes and prior court decisions can only be cited as reference. Since about 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, and because of the limited volume of published cases and their non-binding nature, any particular interpretation of PRC laws and regulations may not be definitive. The PRC may not accord equivalent rights (or protection for such rights) to those rights investors might expect in countries with more sophisticated real estate laws and regulations.

Furthermore, the PRC is geographically large and divided into various provinces and municipalities and as such, different laws, rules, regulations and policies apply in different provinces and they may have different and varying applications and interpretations in different parts of the PRC. The PRC currently does not have any centralised register or official resources where legislation enacted by the central and local authorities is made available to the public. Legislation or regulations, particularly for local applications, may be enacted without prior notice or announcement to the public. Accordingly, the Group may not be aware of the existence of new legislation or regulations. There is at present also no integrated system in the PRC from which information can be obtained in respect of legal actions, arbitrations or administrative actions. Even if an individual court-by-court search were performed, each court may refuse to make the documentation which it holds available for inspection. Accordingly, there is a risk that Shanghai Project Co may be subject to proceedings which may not have been disclosed.

Agreements which are governed under PRC laws may be more difficult to enforce by legal or arbitral proceedings in the PRC than in countries with more mature legal systems. Even if the agreements generally provide for arbitral proceedings for disputes arising out of the agreements to be in another jurisdiction, it may be difficult to obtain effective enforcement in the PRC of an arbitral award obtained in that jurisdiction. In the event that Shanghai Project Co is involved in any legal or arbitral proceedings in the PRC, the Business may be materially and adversely affected.

Shanghai Project Co's insurance coverage may be inadequate.

While Shanghai Project Co has taken out certain insurance coverage in respect of the Shanghai Property Project, there is no assurance that such coverage will be adequate to cover losses, claims and/or liabilities which Shanghai Project Co may suffer in respect of such assets. Shanghai Project Co may also suffer other losses, claims and/or liabilities which are not insured. In such an event, Shanghai Project Co may not have sufficient funds to cover such losses, damages or liabilities or to replace any property development or other assets that have been destroyed. Any payment made by Shanghai Project Co to cover any losses, damages or liabilities, including costs overrun, could have a material adverse effect on Shanghai Project Co's business. Shanghai Project Co faces the risk of losses or damage due to fire, theft and natural disasters such as floods. In the event that its insurance coverage is insufficient to meet such loss or damage, the Business could be materially and adversely affected.

PRC government policies, regulations and measures intended to curtail the overheating of the property market may adversely affect Shanghai Project Co's business.

Along with the economic growth in the PRC, investments in the property sectors have increased significantly in the past few years. In response to concerns over the scale of the increase in property investments, the PRC government has introduced policies to curtail property development. For example, in March 2005, the General Office of the State Council promulgated the Circular on Duly Stabilising the Prices of Residential Properties requiring measures to be taken to restrain the prices of residential properties from increasing too fast. In May 2005, the General Office of the State Council approved the Opinion on Improving the Works on Stabilising the Prices of Residential Properties issued by seven departments of the State Council, setting out guidelines for the relevant PRC authorities to control the rapid growth in the residential property market. In May 2006, the General Office of the State Council approved the Opinions on Adjusting Housing Supply Structure and Stabilisation of Housing Prices issued by nine departments of the State Council. In September 2007, PBOC issued the Notice on Strengthening the Management of Commercial Real Estate Credit and Loans. These measures, among others, imposed various restrictions on lending funds to property developers and extending mortgage loans to property purchasers. In April 2010, the State Council issued the Notice on Firmly Preventing Property Price from Increasing too rapidly in Certain Cities (the "**April 2010 Notice**"), pursuant to which the State Council raised the minimum down payment for second home purchases to 50 per cent. and set a minimum 30 per cent. down payment on first homes with a GFA of more than 90 square metres. The April 2010 Notice also stipulated that interest rates for mortgage loans for second homes cannot be lower than 110 per cent. of PBOC benchmark lending rate. In January 2011, the General Office of the State Council issued the Notice on Issues Concerning Further Properly Regulating and Controlling the Real Estate Market, which further increased the minimum down payment ratio for second homes from 50.0 per cent. to 60.0 per cent. The State Council also authorised its branches to raise the down-payment ratio and mortgage rate for second homes in light of objectives and policies of local governments.

There can be no assurance that the governmental authorities will not require Shanghai Project Co to modify its development plans or that these new measures will not adversely impact the Group and/or Shanghai Project Co's business due to the uncertainties involved in implementing these new measures.

In July 2006, various PRC government agencies jointly issued the Opinions on Regulating the Entry of Foreign Investment into the Real Property Market and the Administration Thereof which aimed to regulate access by foreign investors to the domestic property market and to strengthen supervision over property purchases by foreign-invested enterprises. This opinion provided for, among other things, stricter standards for a foreign institution or an individual when purchasing real property in the PRC, which is not intended for personal use. In May 2007, the Ministry of Commerce and the State Administration of Foreign Exchange promulgated the Circular on Further Strengthening and Regulating the Approval and Supervision of Real Estate Industry with Direct Foreign Investment, or the "Notice 50", which imposed additional restrictions and requirements on foreign investment in the real estate industry.

It is possible that the PRC government may from time to time introduce measures or policies to regulate the property market in the PRC including in Shanghai. Such measures or policies, once enacted, may further curtail the market demand for residential properties and may materially and adversely affect the development and sales of the Shanghai Property Project, which may in turn materially and adversely affect the Business.

The PRC's political policies and foreign relations could affect the Shanghai Property Project.

Investment in PRC properties entails risks of a nature and degree not typically encountered in property investments in developed markets. In the PRC, there is a high risk of nationalisation, expropriation, confiscation, punitive taxation, currency restriction, political changes, government regulation, political, economic or social instability or diplomatic developments which could adversely affect the value of investments made in the PRC, including the Shanghai Property Project, and for which Shanghai Project Co may not be fairly compensated. Certain national policies may restrict foreigners investing in industries deemed sensitive to the national interest such as mining of certain kinds of minerals, construction and operation of natural reserves. There is no assurance that the PRC's political policies and foreign relations would not affect the value of the Group's investment in the Shanghai Property Project, which may materially and adversely affect the Business.

The PRC's economic reforms could affect Shanghai Project Co's business.

The PRC economy differs from the economies of most developed countries in many respects, including, its structure, its level of development, its growth rate, its control of foreign exchange and its allocation of resources. The PRC economy is still in the process of being transformed from a planned economy to a more market-oriented economy. For the past two decades, the PRC government has implemented economic reform measures emphasising utilisation of market forces in the development of the PRC economy. It is uncertain whether changes in the PRC's economic and other policies will or will not have any adverse effect on the Shanghai Property Project and consequently on the Business.

The Group has no prior experience in the aircraft maintenance sector.

The Group has no prior experience in the aircraft maintenance sector and its investment in the Bintan Aircraft Maintenance Project is subject to certain risks, including the following:

- failure to comply with applicable safety regulations and changes in such regulations;
- inability to obtain, maintain and renew the licences and approvals necessary for the conduct of its business;
- disruptions in operations as a result of equipment or human failures;
- unavailability of qualified and affordable labour; and
- labour unrest, disputes with local communities or other similar situations.

The Bintan Aircraft Maintenance Project is also reliant on the global and Indonesian aviation industries.

If these or any other factors materially and adversely affect the Bintan Aircraft Maintenance Project, there can be no assurance that the Group will realise a return on its investment or that it will not lose its entire investment in the Bintan Aircraft Maintenance Project. Such an event could materially and adversely affect the Business.

RISKS RELATING TO INDONESIA

The Group is subject to the political, economic, legal and regulatory environment in Indonesia and substantially all of its operations and assets are located in Indonesia. The results of operations and financial condition of the Group are affected by changes in government policies, laws and regulations in Indonesia. Investing in Indonesia and companies located in Indonesia involves many risks, including the following:

The Group faces legal and regulatory risks in Indonesia.

As Indonesia is a developing market, its legal and regulatory regime may be less certain than in more developed markets and may be subject to unforeseen changes. At times, the interpretation or application of laws and regulations may be unclear and the content of applicable laws and regulations may not be immediately available to the public. Under such circumstances, consultation with the relevant authority in Indonesia may be necessary to obtain better understanding or clarification of applicable laws and regulations. The legal system of Indonesia is evolving and in ways that may not always coincide with market developments, resulting in ambiguities, inconsistencies, and anomalies, and in investment risks that would not exist in more developed legal and judicial systems.

Indonesia's legal system is a civil law system based on written statutes. Absent a binding precedent system, the rights of shareholders under Indonesian law might not be as clearly evident as in some other jurisdictions. In addition, under Indonesian law, companies may have rights and defences to actions filed by shareholders that these companies would not have in some other jurisdictions. Judicial decisions in Indonesia, in particular those rendered by the Supreme Court, are persuasive. However, they are not necessarily used as a binding precedent. The application of many Indonesian laws and regulations depends, in large part, upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy. Indonesian judges operate in an inquisitorial legal system and Indonesian court decisions may omit express articulation of the legal and factual analysis of the issues presented in a case. As a result, administration and enforcement of laws and regulations by Indonesian courts and governmental agencies may be subject to uncertainty and considerable discretion. Under the Indonesian Investment Law, foreign direct investment may only be conducted in sectors which are open for foreign investment and may be subject to share ownership restriction. Foreign direct investment should also be conducted through the establishment of, or conversion into, a foreign direct investment company. In the case of portfolio investment by a foreign investor through the capital market (such as in the case of the IMAS Acquisition), the Indonesian Investment Law does not require the listed company to be converted into a foreign direct investment company and therefore no foreign share ownership restriction applies. In fact, several companies listed on the IDX are not foreign direct investment companies even though they are foreign-controlled and the listed company and its subsidiaries carry on businesses which are closed or restricted to foreign investment. In 2010, the relevant government agency required foreign shareholders of a telecommunications company to meet the foreign share ownership limitation. There is no assurance that the relevant government agency will not adopt an interpretation of the investment laws adverse to the Group. Certain companies in the Group are foreign investment companies in Indonesia, and may be subject to various Indonesian laws, regulations and requirement relating to foreign investments. For instance, certain foreign investment companies may be subject to divestment requirements within 15 years from the commencement of commercial production to Indonesian individuals or entities. There are however no clear guidelines or implementing regulations on the application, interpretation or scope of extent of these requirements; for example, the requisite level of divestment is not stated and further, enforcement mechanisms and bodies equipped with powers for the purpose of enforcing the relevant regulations and requirements are not apparent. It is also unclear whether previously-imposed divestment requirements continue to apply in view of subsequent amendments to Indonesian investment laws, regulations and requirements. There is no assurance that the relevant Indonesian authorities will not enforce or impose any divestment or other requirements in respect of the Group's Indonesian companies. If the Group is required to divest its shareholding in any of its companies or is subject to any fines, penalties or sanctions for failing to divest, the Business may be materially and adversely affected. Further, for example, due to the developing nature of Indonesian land law and the lack of a comprehensive uniform title system in Indonesia, the title over the lands which the Group owns in Indonesia may be subject to various title-related or other claims or disputes including resettlement compensation which the Group may not currently be able to identify, resolve or assess. The rights in respect of these lands may also be compromised by, for instance, rights of adverse possessors, ownership claims of, if any, prior owners and/or their relations or illegal occupants of such lands, or other title defects that the Group may not be aware of. As such, the Group may face claims from third parties claiming ownership over the lands owned by the Group. Such claims could materially and adversely affect the Group's reputation and the Business.

The Group's businesses in Indonesia are subject to various regulatory requirements of the Indonesian government and the Group is also subject to certain licences, permits and approvals to operate its business. The breach of any law and regulations in Indonesia by the Group or an adverse application or interpretation of the relevant laws and regulations and requirements may materially and adversely affect the Business. In the future, the Group may be required to renew its licences, permits and approvals and/or obtain new licences, permits and approvals and there can be no assurance that the relevant authorities will issue any of such licences, permits or approvals in the timeframe the Group anticipates, or at all, or that such licences, permits and approvals as renewed will not be subject to conditions that are more stringent or restrictive than those currently imposed by the Group's existing licences, permits and approvals. In addition, if the Group is found to be in breach of any conditions of its licences, permits or approvals or if it does not hold the requisite licences, permits or approvals, it may be subject to penalties, fines, criminal or civil sanctions and the relevant licences, permit or approval may be suspended, cancelled or subject to additional conditions.

For example, the Group requires certain licences to generate and supply electricity in its industrial parks in Batam and Bintan, namely Batamindo Industrial Park and Bintan Industrial Estate, and in Bintan Resorts. In 2009, Law No. 30 of 2009 ("**New Electricity Law**"), which replaced the previous Electricity Law No. 15/1985 ("**Old Electricity Law**"), came into force, and the implementing regulations under the New Electricity Law were passed in 2012. Under the New Electricity Law, a company must obtain a License to Provide Electricity (Izin Usaha Penyediaan Tenaga Listrik ("**IUPTL**")) in order to generate, transmit, distribute, and sell electricity to a third party. Whilst the Group holds an IUPTL in respect of the generation and supply of electricity at Batamindo Industrial Park, which was issued pursuant to the New Electricity Law and its implementing regulations, it also continues to hold electricity licences issued under the Old Electricity Law, in connection with its electricity supply to tenants in Bintan Industrial Estate and to the resort operators in Bintan Resorts. The New Electricity Law requires the alignment of the electricity licences issued under the Old Electricity Law to conform to the New Electricity Law, however, the implementation, procedure and time-lines regarding such alignment remain unclear. There is no assurance that such alignment can be done in a timely manner or successfully, and the impact of any required alignment cannot be ascertained currently. If the Group is unable to obtain including if applicable amend and/ or renew the licences, permits and approvals necessary to operate its business, or if it fails to comply with the terms of such licences, permits and approvals, the Business may be materially and adversely affected.

In addition, under the New Electricity Law, Government Regulation No. 14 of 2012 on Provision of Electricity ("**GR No. 14/2012**") and Minister of Energy and Mineral Resources ("**MEMR**") Regulation No. 28 of 2012 on Guidelines on Application of Business Area for Public Use Electricity Supply Business New Electricity Implementing Regulation, the regional government, with the approval of the Regional House of Representatives, will determine tariffs for the sale of electricity by holders of electricity licences issued by the regional government. In addition, MEMR, Governor or Regent/ Mayor also has the authority to regulate any other electricity fee that will be borne by the customer. To obtain tariff determination, the licence holder shall apply for tariff determination (in writing) to MEMR, Governor, or Regent/Mayor, as applicable. There can be no assurance that any tariff determination for Group will be to the benefit of Group and will not have an adverse impact on the Group's results of operations by limiting the revenues which the Group derives from the generation, transmission and distribution of electricity. This may have a material and adverse effect on the Business.

Further, the principles and interpretation of Indonesian laws and regulations relating to matters such as corporate governance practices may be unclear and the application and enforcement of such corporate governance practices may be subject to uncertainty and considerable discretion. The lack of certainty in the interpretation, implementation and enforcement of the Indonesian laws and regulations may affect the Business. Additionally, the rights of shareholders and the responsibilities of the board of commissioners and board of directors of Indonesian-incorporated companies under Indonesian law may be different from those applicable to a company incorporated in another jurisdiction. The shareholders of such Indonesian-incorporated companies may have more difficulty in protecting their interests in connection with actions taken by members of the board of directors or board of commissioners or by the principal shareholders than they would as shareholders of a company incorporated in another jurisdiction.

Certain other risks associated with the legal system in Indonesia include (i) the untested nature of judicial independence and the judiciary's insulation from economic, political or nationalistic influences; (ii) inconsistencies between and among laws; (iii) the possibility that laws coming into force in the future may have a retrospective effect; (iv) insufficient funding and staffing of courts compared to levels in developed countries; (v) difficulties in predicting or anticipating future developments in the legal system; (vi) cultural differences and differences in corporate governance practices; and (vii) the relative unfamiliarity of judges and courts with complex commercial or financial transactions.

In 1999, Indonesia enacted anti-monopoly legislation which prohibits a variety of practices considered to be anti-competitive or monopolistic. The legislation focuses on the behaviour of competitors within a market and the structural characteristics of a market. Although market share is considered one of the indicators that a monopoly or unfair competition exists, it is not the only factor and there is uncertainty in the interpretation of markets and market shares.

For example, the IMAS Group has a significant share of the domestic automotive industry in Indonesia. As at 31 December 2014, the Indonesian authority has not taken any action against the IMAS Group for breach of any anti-monopoly legislation nor is the IMAS Group aware of any such action which is threatened or pending against it. However, there is no assurance that the IMAS Group would not be subject to actions by the Indonesian authority to enforce (in whatever form) its anti-monopoly legislation on the IMAS Group's business. If any proceeding were taken or threatened against the IMAS Group under this legislation, the IMAS Group may incur significant legal and other costs in defending against such actions and any unfavourable ruling against the IMAS Group in this respect may materially and adversely affect the business of the IMAS Group and consequently, the Business.

In addition, the IMAS Group and/or its directors, officers and principal shareholders have been and in the future may be involved in allegations, litigation or legal or administrative proceedings some of which may raise issues concerning the history of the IMAS Group and its association with the Salim Group. Regardless of the merits, responding to these matters and defending against litigation can be expensive, time consuming and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. Any such allegations, lawsuits or proceedings, and unfavourable outcomes from these claims or lawsuits may materially and adversely affect the business of the IMAS Group and consequently, the Business.

Terrorist activities in Indonesia could destabilise Indonesia, which could adversely affect the Business.

In Indonesia during the last decade, there have been various bombing incidents directed towards the Indonesian government and foreign governments and public and commercial buildings frequented by foreigners, most significantly, in October 2002 in Bali, in August 2003, at the JW Marriott Hotel in Jakarta, in September 2004, at the Australian Embassy in Jakarta, in May 2005, in Central Sulawesi and in July 2009, at the Ritz-Carlton Hotel and JW Marriott Hotel in Jakarta. Indonesian, Australian and U.S. government officials have indicated that these bombings may be linked to an international terrorist organisation. Demonstrations have also taken place in Indonesia in response to plans for, and subsequent, to U.S., British and Australian military action in Iraq. The Indonesian authorities are still investigating these incidents, but have suggested that they may be linked to the activities of certain Islamic militant groups.

There can be no assurance that further terrorist acts will not occur in the future. Terrorist acts could destabilise Indonesia and increase internal divisions within the Indonesian government as it considers responses to such instability and unrest, thereby adversely affecting investors' confidence in Indonesia and the Indonesian economy. Violent acts arising from and leading to instability and unrest have in the past had, and could continue to have, a material adverse effect on investment and confidence in, and the performance of, the Indonesian economy, which could materially and adversely affect the Business.

A slowdown in global or Indonesian economic growth or economic contraction could adversely affect the Group and the Business.

The performance of the Group is dependent on the health of the overall global and Indonesian economy. The economic crisis that affected South East Asia, including Indonesia, from mid-1997 was characterised in Indonesia by, among other effects, currency depreciation, negative economic growth, high interest rates, social unrest and extraordinary political developments. These conditions had a material adverse effect on Indonesian businesses. The economic crisis resulted in the failure of many Indonesian companies that failed to repay their debts when due. These conditions had a material adverse effect on Indonesian businesses, including the business and financial condition of the Group.

Indonesia entered a recessionary phase with relatively low levels of growth between 1999 to 2002. As a result of these economic crises, the Indonesian government has had to rely on the support of international agencies and governments to prevent sovereign debt defaults. The Indonesian government continues to have a large fiscal deficit and a high level of sovereign debt, its foreign currency reserves are modest, the Rupiah continues to be volatile and has poor liquidity, and the banking sector is weak and suffers from high levels of non-performing loans. The Indonesian government's funding requirements to areas affected by natural disasters, as well as volatile oil prices, may increase its fiscal deficits.

Indonesian financial markets and the Indonesian economy are also influenced by economic and market conditions in other countries. In recent years, the United States, the United Kingdom and several other EU member states experienced credit rating downgrades or had their credit ratings outlook changed to negative and concerns persist regarding the debt burden of certain EU countries, including their ability to meet future financing obligations. The global crisis, which began in 2008, also resulted in a shortage in the availability of credit, a reduction in foreign direct investment, the failure of global financial institutions, a drop in the value of global stock markets, a slowdown in global economic growth and a drop in demand of certain commodities. The global financial crisis had a significant impact on certain segments of the Indonesian economy as well as the stability of Indonesian financial markets.

There is no assurance that the recent improvement in economic condition will continue or that the previous adverse economic conditions in Indonesia and the rest of the Asia Pacific region will not occur in the future. In particular, a loss of investor confidence in the financial systems of emerging and other markets, or other factors, may cause increased volatility in the international and Indonesian financial markets and inhibit or reverse the growth of the global economy and the Indonesian economy. A continued and significant downturn in the global economy, including the Indonesian economy, could have a material adverse effect on the Group. In addition, the general lack of available credit and lack of confidence in the financial markets associated with any market downturn could have a material and adverse effect on the Group's access to capital as well as its suppliers' and customers' access to capital, which in turn could have a material and adverse effect on the Group's ability to fund its working capital requirements and capital expenditure. The current global economic situation could further deteriorate or have a greater impact on Indonesia and the Business of the Group.

Changes in the economic situation in the United States, including improvement or expectations of improvement in the U.S. economy, may also have an impact elsewhere. Expectations of the United States Federal Reserve tapering its bond buying programme on an improving economy resulted in, among other things, the weakening of equity and bond markets around the world and a number of Asian currencies including the Rupiah since May 2013. In part in an effort to support the Rupiah, in June 2013, Bank Indonesia began raising its benchmark reference rate from a record low of 5.75 per cent. which was set in February 2012. The benchmark reference rate has since risen twice between November 2013 and November 2014 from 7.50 per cent. to 7.75 per cent.

There is no assurance that changes to the global economic climate will not have an adverse or greater impact on Indonesia and the Business of the Group. Any of the foregoing may have a material and adverse effect on the Business of the Group.

Political instability in Indonesia could adversely affect the economy, which in turn could affect the Business.

Since 2000, thousands of Indonesians have participated in demonstrations in Jakarta and other Indonesian cities both for and against former President Wahid, former President Megawati, and former President Yudhoyono as well as in response to specific issues. Although these demonstrations were generally peaceful, some had turned violent.

In June 2001, demonstrations and strikes affected at least 19 cities after the Indonesian government mandated a 30 per cent. increase in fuel prices. In October 2005, the Indonesian government terminated fuel subsidies on premium and regular gasoline and decreased fuel subsidies on diesel. In response, several non-violent mass protests were organised in opposition to the increases in domestic fuel prices. In recent years, thousands of protesters have opposed the Indonesian government's plans to increase subsidised fuel prices. There can be no assurance that increases in subsidised fuel prices, or cuts in fuel subsidies, will not result in political and social instability.

There have also been clashes between religious and ethnic groups which have resulted in social and civil unrest in parts of Indonesia. In the provinces of Aceh and Papua (formerly Irian Jaya), there have been clashes between supporters of separatist movements and the Indonesian military. In Papua, continued activity by separatist rebels has led to violent incidents. The Indonesian constitution limits presidential tenure to two five-year terms. Political and social unrest may occur if the results of elections are disputed or unpopular.

Regional autonomy may create an uncertain business environment and increase the Group's costs of doing business.

The Indonesian government has devolved some autonomy to local governments, allowing the imposition by such local governments of taxes, charges or additional permit requirements on businesses within their jurisdiction and often requiring local participation and investment in such businesses. Regional autonomy may increase the regulation of the Group's business, disrupt sources of raw materials and require organisational restructuring to be undertaken and increase other costs of doing business, all of which may materially and adversely affect the Business.

Certain regional governments have also put in place various restrictions, taxes and levies which may differ from restrictions, taxes and levies put in by other regional governments and/or are in addition to restrictions, taxes and levies stipulated by the Indonesian government. Conflicting or additional restrictions, taxes and levies that may be imposed by the applicable regional authorities may materially and adversely affect the Business.

Labour activism and legislation could adversely affect the Group, its customers and Indonesian companies in general, which in turn could affect the Business.

Laws and regulations that facilitate the formation of labour unions, combined with weak economic conditions, have in the past resulted, and may in the future result, in labour unrest and activism in Indonesia. A labour union law passed in 2000 permits employees to form unions without intervention from their employers. The Labour Law, passed in 2003, increased the amount of mandatory severance, service and compensation payments payable to terminated employees. The Labour Law requires implementation of regulations that may substantially affect labour regulations in Indonesia. Under the Labour Law, employees who voluntarily resign are entitled to payments for unclaimed annual leave, relocation expenses (if any) and other expenses, subject to any employment agreements, a company's regulations and collective labour agreements. The Labour Law requires employers of more than 50 employees to establish bilateral forums consisting of both employers and employees, and the participation of more than half of a company's employees in negotiating collective labour agreements. The law also set up more permissive procedures for staging strikes.

Labour unrest and activism in Indonesia could disrupt its operations or those of the Group's contractors and customers and could affect the financial condition of Indonesian companies in general, depressing the prices of Indonesian securities on the Indonesian stock exchanges and the value of the Rupiah relative to other currencies. Such events may materially and adversely affect the Business. In addition, any national or regional inflation of wages could directly or indirectly increase the operating costs of the Group and may hence materially and adversely affect the Business. For example, under Indonesian Law No. 13 of 2003 on Manpower, employers shall not pay wages lower than the minimum wage stipulated by the Indonesian government. Employers who breach this obligation shall be imposed with a minimum fine of at least Rp100 million up to a maximum amount of Rp400 million and/or imprisonment for a minimum term of one year up to a maximum term of four years.

An outbreak of a contagious disease could adversely affect the Indonesian economy and the Group.

The outbreak of an infectious disease in Asia (including Indonesia) and elsewhere, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy, and business activity in Indonesia and thereby have a material adverse effect on the Business.

For example, the outbreak of Severe Acute Respiratory Syndrome ("**SARS**") in Asia in 2003 and the outbreak of avian influenza or "bird flu" in Asia in 2004 and 2005. During the last nine years, large parts of Asia experienced unprecedented outbreaks of the avian flu. In April 2009, there was an outbreak of Influenza A virus ("**H1N1**") which originated in Mexico but had since spread globally including confirmed reports in Indonesia, Hong Kong, Japan, Malaysia, Singapore, and elsewhere in Asia. In August and September 2009, there were a number of deaths in Indonesia resulting from H1N1. H1N1 is believed to be highly contagious and may not be easily contained. More recently, there has been an outbreak of Middle East respiratory syndrome ("**MERS**"), caused by a coronavirus similar to the one that caused SARS. In addition, the Ebola virus disease outbreak that affected Africa is threatening to spread to a wider geographical area. In 2014, the World Health Organisation declared the Ebola outbreak in West Africa to be an international public health emergency that requires an extraordinary response to stop its spread.

There can be no assurance that any precautionary measures taken against infectious diseases would be effective. An outbreak of avian influenza, SARS, H1N1, MERS, Ebola virus or another contagious or infectious disease and the measures taken by the governments of affected countries, including Indonesia, against such potential outbreaks, could seriously interrupt the Group's operations or the services or operations of its suppliers and customers, and have a material adverse effect on the business, cash flows, operational results, financial condition and prospects of the Group. The perception that an outbreak of avian influenza, SARS, H1N1, MERS, Ebola virus or another contagious or infectious disease may occur may also have an adverse effect on the economic conditions of countries in Asia, including Indonesia.

Downgrades of credit ratings of Indonesia could adversely affect the Indonesian financial market and its ability to finance operations and grow.

In 1997, certain international credit rating agencies, including Moody's, S&P and Fitch, downgraded Indonesia's sovereign rating and the credit ratings of various credit instruments of the Indonesian government, a large number of Indonesian banks and other companies. As of the date of this Offering Circular, Indonesia's sovereign foreign currency long-term debt is rated "Baa3" by Moody's, "BB+" by S&P and "BB B-" by Fitch, and its sovereign foreign currency short-term debt is rated "B" by S&P. Even though the recent trend in Indonesian sovereign ratings has been positive, there is no assurance that Moody's, S&P, Fitch or any other international credit rating agency will not downgrade the credit ratings of Indonesia. Any such downgrade could have an adverse impact on liquidity in Indonesian financial markets, the ability of the Indonesian government and Indonesian companies, including the Indonesian subsidiaries of the Group, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available to the Group, any of which in turn may have a negative effect on the ability of the Group to finance operations and growth and materially and adversely affect the Business.

Indonesia is located in a geologically active zone and is subject to the risk of significant geological and other natural disasters, which could lead to social and economic instability.

The Indonesian archipelago is one of the most volcanically active regions in the world. Because it is located in the convergence zone of three major lithospheric plates, it is subject to significant seismic activity, which can lead to destructive earthquakes, volcanoes and tsunamis or tidal waves that could lead to substantial economic loss and social unrest. For example, in December 2004, an underwater earthquake off the coast of Sumatra released a tsunami that devastated coastal communities in Indonesia, Thailand and Sri Lanka. In Indonesia, more than 220,000 people died or were recorded as missing in the disaster and damages were estimated to be in billions of U.S. dollars. In addition to these geological events, seasonal downpours have resulted in frequent landslides and flash floods in Indonesia, including Jakarta, Sumatra and Sulawesi, displacing a large number of people and killing others.

While these events have not had a significant impact on the Indonesian capital markets, the Indonesian government has had to spend significant amounts on emergency aid and resettlement efforts. Most of these costs have been underwritten by foreign governments and international aid agencies. There is no assurance that such aid will continue to be forthcoming, or that it will be delivered to recipients on a timely basis. If the Indonesian government is unable to deliver foreign aid to affected communities in a timely fashion, political and social unrest could result. Additionally, recovery and relief efforts are likely to continue to impose a strain on the Indonesian government's finances, and may impair its ability to meet its obligations on its sovereign debt. Any such failure on the part of the Indonesian government, or declaration by it of a moratorium on its sovereign debt, may trigger an event of default under numerous private-sector borrowings, and materially and adversely affect the Business.

In addition, there is no assurance that future geological or meteorological occurrences will not significantly harm the Indonesian economy. A significant earthquake, other geological disturbance or weather-related natural disaster in any of Indonesia's more populated cities and financial centres may severely disrupt the Indonesian economy and undermine investor confidence, and materially and adversely affect the Business.

Increases in the cost of essential items or commodity prices in Indonesia may reduce the purchasing power of the Group's customers.

In 2013, according to statistics from the World Bank, the inflation rate in Indonesia was 4.4 per cent. while gross domestic product per capita was U.S.$3,475. Any increases in the cost of essential items or rise in commodity prices could reduce the discretionary purchasing power of the Group's customers and lead to decreased spending on the Group's products, which may lower the Group's sales. Any potential increase in the cost of essential items or commodity prices may reduce the discretionary spending power of the Group's customers, and in turn, have a material and adverse effect on the Business.

RISKS ASSOCIATED WITH AN INVESTMENT IN THE NOTES

The Notes may not be a suitable investment for all investors.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and it may be that such instruments have been purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to investment laws, regulations and requirements, or review or regulation by certain authorities. Each potential investor should consult its legal and other advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowings and (3) other restrictions apply to its subscription or purchase of any Notes. Financial institutions should consult their legal and other advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Modification and waivers.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may (but shall not be obliged to) agree, without the consent of Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or the Conditions that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of applicable law or as required by Euroclear and/or

Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Notes may be held, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

The Notes are not secured.

The Notes and the Receipts and the Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4 of the Terms and Conditions of the Notes) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by application legislation and subject to Condition 4 of the Terms and Conditions of the Notes, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Company, present or future.

Accordingly, on a winding-up of the Company at any time prior to maturity of any Notes, the Noteholders will not have recourse to any specific assets of the Company and its subsidiaries and/or associated companies as security for outstanding payment or other obligations under the Notes and/or Coupons owed to the Noteholders and there can be no assurance that there would be sufficient value in the assets of the Company after meeting all claims ranking ahead of the Notes, to discharge all outstanding payment and other obligations under the Notes and/or Coupons owed to the Noteholders.

A change in the governing law of the Notes may adversely affect Noteholders.

The Terms and Conditions of the Notes are governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

Performance of contractual obligations.

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Issuing and Paying Agent, the CDP Paying Agent, a Transfer Agent, the relevant Registrar, and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Notes, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders and the Couponholders.

Noteholders are exposed to financial risk

Interest payment, where applicable, and principal repayment for debts occur at specified periods regardless of the performance of the Issuer and/or the Group. The Issuer may be unable to make interest payments or, where applicable, principal repayments under a Series of Notes should it suffer a serious decline in net operating cash flows or for other reasons.

The Notes do not restrict the ability of IMFI from incurring additional debt or to take other actions that could negatively impact holders of the Notes.

IMFI, the vehicle financing unit of the IMAS Group, is not restricted under the terms of the negative pledge and the financial covenants of the Notes from incurring additional debt, including secured debt. See Conditions 4(a) and 4(c) of the Terms and Conditions of the Notes. IMFI's ability to incur additional debt and take other actions that are not limited by the terms of the Notes could have a material and adverse effect on the Business and consequently may diminish the Issuer's ability to make payments on the Notes when due.

The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s).

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes and Global Certificates will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes. The relevant Clearing System(s) will maintain records of their direct account holders in relation to the Global Notes and Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg or to CDP, as the case may be, for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes and Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Singapore taxation risk.

The Notes to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2018 are pursuant to the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by the Monetary Authority of Singapore ("**MAS**") on 28 June 2013, and are intended to be "qualifying debt securities" for the purposes of the ITA subject to the fulfilment of certain conditions more particularly described in the section "*Taxation — Singapore Taxation*". However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

EU Directive on the taxation of savings income.

EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") requires the member states of the EU ("**EU Member States**") to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other EU Member State, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise. The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

Bearer Notes where denominations involve integral multiples.

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in bearer form in respect of such holding (should Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination. If definitive Notes in bearer form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Issuer may be unable to redeem the Notes.

On certain dates, including the occurrence of any early redemption event specified in the relevant Pricing Supplement or otherwise and at maturity of the Notes, the Issuer may, and at maturity, will, be required to redeem all of the Notes. If such an event were to occur, the Issuer may not have sufficient cash on hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Notes by the Issuer would constitute an event of default under the Notes, which may also constitute a default under the terms of other indebtedness of the Group.

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances (including giving of notice to the Issuer pursuant to Condition 10 and Condition 12 of the Terms and Conditions of the Notes), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

A wide range of Notes may be issued under the Programme. A number of such Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features.

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed.

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions of the Notes.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Dual currency notes have features which are different from single currency issues.

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected; and

(iv) the amount of principal payable at redemption may be less than the principal amount of such Notes or even zero.

Failure by an investor to pay a subsequent instalment of partly-paid Notes may result in an investor losing all of its investment.

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in an investor losing all of its investment.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile.

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the London Interbank Offered Rate ("**LIBOR**"). The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice-versa, may have lower market values than other Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Investors may lose part or all of their investment in any Index Linked Notes issued.

If, in the case of a particular tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index Linked Notes or variable redemption amount Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

RISKS RELATED TO THE MARKET GENERALLY

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although an application has been made for the Notes issued under the Programme to be admitted to listing on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Governments and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

The Programme has not been rated and any credit ratings assigned to the Notes may not reflect all risks.

The Programme has not been rated and Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, one or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Interest rate risk.

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk.

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

Global financial turmoil has led to volatility in international capital markets which may adversely affect the market price of any Tranche or Series of Notes.

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may adversely affect the market price of any Tranche or Series of Notes.

TERMS AND CONDITIONS OF THE NOTES

The following, save for the paragraphs in italics, is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in these Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

This Note is one of a series ("**Series**") of Notes issued by Gallant Venture Ltd. (the "**Issuer**") pursuant to the Trust Deed (as defined below).

The Notes are constituted by a Trust Deed (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Trust Deed**") dated 15 November 2013 between the Issuer and DB International Trust (Singapore) Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 15 November 2013 has been entered into in relation to the Notes between the Issuer, the Trustee, Deutsche Bank AG, Hong Kong Branch as the initial issuing and paying agent, Deutsche Bank AG, Singapore Branch as initial CDP paying agent and the other agents named in it. The issuing and paying agent, the CDP paying agent, the other paying agents, the registrars, the transfer agent(s) and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**CDP Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Registrars**", the "**Transfer Agents**" (which expression shall include the Registrars) and the "**Calculation Agent(s)**" (such Issuing and Paying Agent, CDP Paying Agent, Paying Agents, Registrars and Transfer Agents being together referred to as the "**Agents**"). For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the computerised system operated by The Central Depository (Pte) Limited ("**CDP**"), be deemed to be a reference to the CDP Paying Agent, and all such references shall be construed accordingly. Notes cleared through CDP are issued with the benefit of a deed of covenant (as amended, varied or supplemented as at the Issue Date, the "**Deed of Covenant**") dated 15 November 2013 and executed by the Issuer. Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection during usual business hours at the principal office of the Trustee (presently at One Raffles Quay, #16-00 South Tower, Singapore 048583) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deed of Covenant are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest Basis and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes:** Subject to Condition 2(f), one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or Condition 2(c) shall be available for delivery within seven business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the other relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in Singapore and in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).

(e) **Transfers Free of Charge:** Transfers of Notes and registrations and issues of Certificates on transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents to Noteholders, but upon payment by the relevant Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require in respect of such tax or other governmental charges).

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3 Status

The Notes and the Receipts and the Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

4 Covenants

(a) **Negative Pledge:** So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of its Principal Subsidiaries will, create or have outstanding any Security Interest, other than Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same Security Interest as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other Security Interest as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, provided, however, that the provisions of this Condition 4(a) shall not operate to restrict or prohibit any Security Interest created or granted solely by IMFI (or any other current or future Subsidiary of the Issuer carrying out the same business as IMFI) over any Qualifying Receivables in connection with the issue of its Relevant Indebtedness.

In these Conditions:

"**Permitted Security Interest**" means:

(i) any Security Interest existing as of the Issue Date;

(ii) any Security Interest on property or assets of an entity existing at such time the entity becomes a Principal Subsidiary;

(iii) any Security Interest on (i) any assets at the time it is acquired by the Issuer or any Principal Subsidiary after the Issue Date or (ii) any assets of any entity at the time the Issuer or any Principal Subsidiary acquires such entity after the Issue Date provided that, in each case (a) such Security Interest was existing at the time of such acquisition and shall not have been created in contemplation of or in connection with such acquisition and (b) the principal amount and maturity of such indebtedness is not increased; and

(iv) any Security Interest securing indebtedness refunding or refinancing indebtedness secured by any Security Interest referred to in sub-paragraphs (i), (ii) and (iii) above, provided that the principal amount of such indebtedness is not increased;

"**Principal Subsidiary**" means:

(i) any Subsidiary of the Issuer whose total assets or total revenue, as shown by the then latest audited financial statements (consolidated where applicable) of such Subsidiary, are at least 10 per cent. of the total consolidated assets or total consolidated revenue, as the case may be, of the Issuer as shown by its latest audited consolidated financial statements,

provided that:

(1) in the case of a Subsidiary acquired, or a company becoming a Subsidiary, after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the acquisition is made or, as the case may be, in which the relevant company becomes a Subsidiary are published, be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated where applicable) of such Subsidiary in such accounts;

(2) if at any time in relation to the Issuer or any Subsidiary in respect of which financial consolidation is relevant, no consolidated accounts are prepared and audited, total assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro-forma consolidated accounts prepared for this purpose by the auditors for the time being of the Issuer; or

(3) any Subsidiary of the Issuer to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary. A Subsidiary which becomes a Principal Subsidiary pursuant to this sub-paragraph (ii) shall continue to be a Principal Subsidiary until the date on which the first audited accounts (consolidated where applicable) of the Issuer prepared as of a date later than such transfer are published;

"**IMFI**" means PT Indomobil Finance Indonesia;

"**Qualifying Receivables**" means the right of IMFI (or any other current or future Subsidiary of the Issuer carrying out the same business as IMFI) to receive scheduled instalment payments from borrowers on secured loans provided by IMFI (or any other current or future Subsidiary of the Issuer carrying out the same business as IMFI) in the ordinary course of business;

"**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other similar securities which in each case:

(a) for the time being are, or are intended to be or capable of being, quoted, listed or ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market; and

(b) either by their terms payable, or confer a right to receive payment, in any currency other than Indonesian Rupiah,

but shall not include, for the avoidance of doubt, any indebtedness under any secured loan facility made available under any loan agreement entered into with one or more lenders;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any relevant jurisdiction; and

"**Subsidiary**", in relation to any person, means any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act, Chapter 50 of Singapore) of such person.

(b) **Subsidiary:** The Issuer will ensure that PT Indomobil Sukses Internasional Tbk, or any Subsidiary to which is transferred the whole or substantially the whole of the assets of PT Indomobil Sukses Internasional Tbk, remains a Subsidiary of the Issuer.

(c) **Financial Covenants:** So long as any of the Notes remains outstanding, the Issuer will ensure that:

(i) its Consolidated Net Tangible Assets shall not at any time be less than S$1,000,000,000; and

(ii) the ratio of Consolidated Net Borrowings to Consolidated Net Tangible Assets shall not at any time be more than 2.25:1.

For the purposes of these Conditions:

(a) "**Consolidated Net Borrowings**" means Consolidated Total Borrowings less cash, cash equivalents (as determined in accordance with generally accepted accounting principles in Singapore) and deposits;

(b) "**Consolidated Net Tangible Assets**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(A) the amount paid up or credited as paid up on the issued share capital of the Issuer; and

(B) the amounts standing to the credit of the capital and revenue reserves (including profit and loss account) of the Group (excluding any amounts attributable to IMFI or any other current or future Subsidiary of the Issuer carrying out the same business as IMFI) on a consolidated basis, all as shown in the then latest audited consolidated balance sheet of the Group but after:

(a) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraph (B) above of the Group (excluding any amounts attributable to IMFI or any other current or future Subsidiary of the Issuer carrying out the same business as IMFI) since the date of the latest audited consolidated balance sheet of the Group;

(b) excluding any sums set aside for future taxation;

(c) deducting:

(I) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group;

(II) all goodwill and other intangible assets (excluding intangible assets arising or derived from any financial receivables); and

(III) any debit balances on consolidated profit and loss account;

(c) "**Consolidated Total Borrowings**" means in relation to the Group (excluding any amounts attributable to IMFI or any other current or future Subsidiary of the Issuer carrying out the same business as IMFI), an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(A) bank overdrafts and all other indebtedness in respect of any bank borrowings;

(B) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(C) the liabilities of the Issuer under the Trust Deed or the Notes;

(D) all other indebtedness whatsoever of the Group for borrowed moneys (including but not limited to any indebtedness under a finance or capital lease, any moneys owing in connection with the sale or discounting of receivables (except to the extent that there is no recourse) and any indebtedness of any person or type which is the subject of a guarantee, indemnity or similar assurance against financial loss given by a member of the Group);

(E) guarantees on moneys borrowed by members of the Group to the extent that such underlying indebtedness are not consolidated in the Group's balance sheet; and

(F) any redeemable preference shares issued by any member of the Group;

5 Interest and other Calculations

(a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date (as defined in Condition 5(b)(i)). The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) **Interest on Floating Rate Notes and Index Linked Interest Notes**

(i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined, in the case of Floating Rate Notes, by the Calculation Agent in accordance with this Condition 5(b) or, in the case of Index Linked Interest Notes, the Calculation Agent in accordance with Conditions 5(h) and 5(i). The Issuing and Paying Agent, the CDP Paying Agent and each other Paying Agent shall be entitled to rely on all determinations and calculations made by the Calculation Agent without any responsibility to verify any of the same and without liability to Noteholders or any other person for doing so. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, "**Interest Payment Date**" shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this Condition 5(b)(ii)(A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this Condition 5(b)(ii)(A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes where the Reference Rate is not specified as being SIBOR or SOR

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon;

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) of Condition 5(b)(ii)(B) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) of Condition 5(b)(ii)(B) applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) of Condition 5(b)(ii)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5(b)(ii)(B), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SIBOR or SOR

Each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Note will be a "**SIBOR Note**") or SOR (in which case such Note will be a "**Swap Rate Note**") bears interest at a floating rate determined by reference to a benchmark as specified hereon or in any case such other benchmark as specified hereon.

(x) The Rate of Interest payable from time to time in respect of each Floating Rate Note under this Condition 5(b)(ii)(C) will be determined by the Calculation Agent on the basis of the following provisions:

(1) In the case of Floating Rate Notes which are SIBOR Notes:

(aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore Dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND

SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" and the column headed "SGD SIBOR/USD" (or such other Relevant Screen Page);

(bb) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof), the Calculation Agent will, at or about the Relevant Time on such Interest Determination Date, determine the Rate of Interest for such Interest Period which shall be the rate which appears on the Reuters Screen SIBP Page under the caption "SINGAPORE DOLLAR INTER-BANK OFFERED RATES — 11:00 A.M." and the row headed "SIBOR SGD" (or such other replacement page thereof), being the offered rate for deposits in Singapore Dollars for a period equal to the duration of such Interest Period;

(cc) if no such rate appears on the Reuters Screen SIBP Page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen SIBP Page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore Dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded, if necessary, to the nearest four decimal places) of such offered quotations, as determined by the Calculation Agent;

(dd) if on any Interest Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with paragraph (cc) of this Condition 5(b)(ii)(C) on the basis of the quotations of those Reference Banks providing such quotations; and

(ee) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.

(2) In the case of Floating Rate Notes which are Swap Rate Notes:

(aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Accrual Period, determine the Rate of Interest for such Interest Accrual Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF THE BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" under the column headed "SGD SWAP OFFER" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Accrual Period;

(bb) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest (which shall be rounded up, if necessary, to the nearest 4 decimal places) for such Interest Accrual Period in accordance with the following formula:

In the case of Premium:

$$\text{Rate of Interest} = \frac{365}{360} \text{ x SIBOR} + \frac{(\text{Premium x } 36500)}{(\text{T x Spot Rate})}$$

$$+ \frac{(\text{SIBOR x Premium})}{\text{Spot Rate}} \text{ x } \frac{365}{360}$$

In the case of Discount:

$$\text{Rate of Interest} = \frac{365}{360} \text{ x SIBOR} - \frac{(\text{Discount x } 36500)}{(\text{T x Spot Rate})}$$

$$- \frac{(\text{SIBOR x Discount})}{\text{Spot Rate}} \text{ x } \frac{365}{360}$$

where:

SIBOR	=	the rate which appears under the caption "SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) AT 11:00 A.M. "and the row headed "SIBOR USD" on the Reuters Screen SIBO Page of the Reuters Monitor Money Rates Service (or such other page as may replace the Reuters Screen SIBO Page for the purpose of displaying Singapore inter-bank U.S. Dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned;
Spot Rate	=	the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest 4 decimal places) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE" and the column headed "SPOT" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned;
Premium or Discount	=	the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest 4 decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Accrual Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE" (or such other replacement page thereof for the purpose of displaying

		the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned; and
T	=	the number of days in the Interest Accrual Period concerned.

(cc) if on any Interest Determination Date any one of the components for the purposes of calculating the Rate of Interest under this Condition 5(b)(ii)(C) is not quoted on the relevant Reuters Screen Page (or such other replacement page as aforesaid) or the relevant Reuters Screen Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Interest Accrual Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 4 decimal places) of the Swap Rates quoted by the Reference Banks to the Calculation Agent. The "Swap Rate" of a Reference Bank means the rate at which that Reference Bank can generate Singapore Dollars for the Interest Accrual Period concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{\text{Spot Rate}} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{\text{Spot Rate}} \times \frac{365}{360}$$

where:

SIBOR	=	the rate per annum at which U.S. Dollar deposits for a period equal to the duration of the Interest Accrual Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;
Spot Rate	=	the rate at which that Reference Bank sells U.S. Dollars spot in exchange for Singapore Dollars in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;
Premium	=	the premium that would have been paid by that Reference Bank in buying U.S. Dollars forward in exchange for Singapore Dollars on the last day of the Interest Period concerned on the Singapore inter-bank market; and
Discount	=	the discount that would have been received by that Reference Bank in buying U.S. Dollars forward in exchange for Singapore Dollars on the last day of the Interest Period concerned on the Singapore inter-bank market
T	=	the number of days in the Interest Accrual Period concerned; and

(dd) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with quotations of their Swap Rate(s), the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 4 decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Accrual Period by whatever means they determine to be most appropriate, or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 4 decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date;

(D) On the last day of each Interest Accrual Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Accrual Period relates at the Rate of Interest for such Interest Accrual Period.

(iii) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined by the Calculation Agent in the manner specified hereon.

(e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up principal amount of such Notes and otherwise as specified hereon.

(f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) **Margin, Maximum Rate of Interest/Minimum Rate of Interest, Instalment Amounts and Redemption Amounts and Rounding:**

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to Condition 5(g)(ii).

(ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fifth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall be final and binding upon all parties and the Noteholders.

(j) **Determination or Calculation by an agent of the Issuer:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Issuer shall appoint another agent on its behalf to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition 5, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(k) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business in Singapore and in the city of the Issuing and Paying

Agent's specified office and, in the case of Notes cleared through CDP, in the city of the CDP Paying Agent's specified office and, in the case of Registered Notes, in the city of the Registrar's specified office; and

(ii) in the case of:

(a) a currency other than euro, a day on which commercial banks and foreign exchange markets are open for general business in the principal financial centre for such currency and/or

(b) euro, a day on which the TARGET system is operating (a "**TARGET Business Day**").

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual — ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365

(iii) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30

(v) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30

(vi) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30

(vii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Hong Kong Dollars or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong Dollars or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market; (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; and (iii) in the case of a determination of the relevant Reference Rate, SIBOR or Swap Rate, the principal Singapore office of three major banks in the Singapore inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service).

"**Relevant Time**" means 11.00 a.m. (Singapore time).

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(l) **Calculation Agents:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for it or them hereon and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. Any Calculation Agent appointed in respect of the Notes may not resign its duties without a successor having been appointed as aforesaid.

(m) **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

6 Redemption, Purchase and Options

(a) **Redemption by Instalments and Final Redemption:**

(i) Unless previously redeemed or purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its principal amount) or, in the case of a Note falling within Condition 6(a)(i), its final Instalment Amount.

(b) **Early Redemption**

(i) *Zero Coupon Notes:*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of Condition 6(b)(i)(C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 6(b)(i)(B), except that Condition 6(b)(i)(B) shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 6(b)(i)(C) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in Condition 6(b)(i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a decision of a court of competent jurisdiction) or the Notes do not qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation will apply on the occasion of the next payment due in respect of the Notes and cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it, and an opinion, addressed to the Trustee, of independent legal or tax advisors of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled without further enquiry and without liability to any Noteholder or any other person to rely on such certificate and opinion and, if it does so, such certificate and opinion shall be conclusive evidence of the satisfaction of the conditions precedent set out in (i) and (ii) of this Condition 6(c). Each such certificate and opinion shall be conclusive and binding on Noteholders and Couponholders.

(d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued (but excluding) to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a principal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as determined by the Issuer and notified in writing to the Trustee, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 nor more than 60 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued (but excluding) to the date fixed for redemption.

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice (an "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6(f) and the provisions specified hereon.

(g) **Purchases:** The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Notes purchased by the Issuer or any of its Subsidiaries may, at the option of the Issuer or the relevant Subsidiary, be held, resold or surrendered for cancellation in accordance with Condition 6(h).

(h) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank.

In this Condition 7(a) and in Condition 7(b), "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes:**

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).

(ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to Fiscal Laws:** Save as provided in Condition 8, payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents:** The Issuing and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, and the Transfer Agents appointed under the Agency Agreement and any Calculation Agents appointed in respect of any Notes act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time, with the approval of the Trustee, to vary or terminate the appointment of the Issuing and Paying Agent, the CDP Paying Agent, any other Paying Agent, any Registrar or any Transfer Agent in accordance with the Agency Agreement and to appoint additional or other Paying Agents or Transfer Agents, in each case in accordance with the Agency Agreement, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CDP Paying Agent in relation to Notes cleared through CDP, (v) one or more Calculation Agent(s) where these Conditions so require, (vi) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for Definitive Notes, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, (vii) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee and (viii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 in relation to Notes other than Notes cleared through CDP.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. Dollars in the circumstances described in Condition 7(c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), such Notes should be surrendered to the relevant Paying Agent for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer, the Issuing and Paying Agent and/or the Registrar may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in the location of the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**business day**" means a day (other than a Saturday or a Sunday) on which, in the case of Notes to be cleared through Euroclear and Clearstream, Luxembourg, Euroclear and Clearstream, Luxembourg are operating or, in the case of Notes to be cleared through CDP, CDP is operating and, in each case, of which banks and foreign exchange markets are open for business in the relevant place of presentation (if presentation and/or surrender of such Note, Receipt or Coupon is required), in such jurisdictions as shall be specified as "**Financial Centres**" hereon and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Issuer shall pay such additional amounts as shall result in receipt by the Noteholders, Receiptholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) **Other connection:** to, or to a third party on behalf of, a holder who is (i) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Singapore other than the mere holding of the Note, Receipt or Coupon; or

(b) **Surrender more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or

(c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) **Payment by another Paying Agent:** (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

9 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each such case to being indemnified and/or secured and/or prefunded by the Noteholders to its satisfaction), give notice (a "**Default Notice**") to the Issuer that the Notes are, and they shall accordingly thereby become, immediately due and repayable at their Early Redemption Amount together (if applicable) with accrued interest, if any of the following events (each an "**Event of Default**") has occurred:

(a) the Issuer fails to make the payment of any principal, premium or interest due in respect of the Notes and such failure continues for a period of 7 days (in the case of principal) or 14 days (in the case of premium or interest);

(b) the Issuer does not perform or comply with any one or more of its other obligations in the Notes, the Trust Deed or the Agency Agreement which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after the earlier of (i) the date a Default Notice shall have been given to the Issuer by the Trustee or (ii) the date that the Issuer becomes aware of such failure to perform or comply;

(c) the Issuer or any Principal Subsidiary is (or admits it is or is presumed or deemed by law or by a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend, payment of all or a material part of its debts (other than those contested in good faith where such dispute is resolved within 30 days), proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts, commences negotiations with one or more of its creditors with a view to rescheduling all or a material part of its indebtedness, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Issuer or any of its Principal Subsidiaries or the value of the assets of the Issuer (on a consolidated basis) is less than its liabilities (taking into account contingent and prospective liabilities);

(d) (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described), or (ii) any such indebtedness of the Issuer or such Subsidiary in respect of borrowed money is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(d) have occurred equals or exceeds U.S.$15,000,000 or its equivalent (as reasonably determined on the basis of the middle spot rate for the relevant currency against the U.S. Dollar as quoted by any leading bank selected by the Trustee (or, failing such nomination within two Business Days of the occurrence of one or more of the events mentioned above in this Condition 10(d), selected by the Issuer and notified in writing to the Trustee) on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity) provided always that the Issuer and/or such Subsidiary, as the case may be, shall be deemed to have paid any such indebtedness or amount if it is able to provide written evidence (including, but not limited to, confirmation from a bank or other financial institution of the remittance of such amount) of such payment having been made;

(e) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries, which has a material adverse effect on the Issuer and its Subsidiaries taken as a whole, and is not discharged or stayed within 45 days;

(f) an order is made or an effective resolution passed for the winding-up, dissolution, liquidation, judicial management or administration of the Issuer or any Principal Subsidiary, or the Issuer or any Principal Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Noteholders;

(g) an encumbrancer takes possession or a receiver, administrator, administrative receiver, judicial manager or other similar officer is appointed in respect of the whole or any substantial part of the property, assets or revenues of the Issuer or any Principal Subsidiary (as the case may be) and is not discharged within 45 days;

(h) it is or will become unlawful for the Issuer, or the Issuer is unable, to perform or comply with any one or more of its obligations under any of the Notes, the Trust Deed or the Agency Agreement;

(i) (i) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done by the Issuer in order (a) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, the Trust Deed and the Agency Agreement, (b) to ensure that those obligations are legally binding and enforceable, and (c) to make the Notes, the Trust Deed and the Agency Agreement admissible in evidence in the courts of England is not taken, fulfilled or done or (ii) the Trust Deed or the Agency Agreement are not (or are claimed by the Issuer not to be) in full force and effect and enforceable against the Issuer and in each case, if that default is capable of remedy, it is not remedied within 30 days after the earlier of (i) the date a Default Notice shall have been given to the Issuer by the Trustee or (ii) the date that the Issuer becomes aware of such default;

(j) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any Principal Subsidiary, which has a material adverse effect on the Issuer and the Subsidiaries taken as a whole; or

(k) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of paragraphs (c), (e), (f), (g) or (j) above.

11 Meetings of Noteholders and Modification

(a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia,* (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount or Redemption

Amount is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the Noteholders of not less than 90 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Modification of the Trust Deed:** The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or these Conditions that, in the Trustee's opinion, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of applicable law or as required by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Notes may be held, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Noteholders as soon as practicable.

(c) **Entitlement of the Trustee:** In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 11), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee, acting for and on behalf of Noteholders, shall not be entitled to require on behalf of any Noteholder or Couponholder, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders. For the avoidance of doubt, the provisions of this Condition 11(c) shall not restrict or prevent the Trustee from claiming any indemnity or payment from the Issuer for its own account.

12 Enforcement

At any time after the Notes become due and payable, the Trustee (i) may, at its discretion or (ii) shall, if so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in principal amount of the Notes outstanding, and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, any Subsidiary of the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on any report, confirmation or certificate or any advice of any legal counsel, accountants, financial advisors, financial institution or any other expert, whether or not addressed to it and whether or not their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice conclusively and without liability to the Noteholders or any other person and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders and the Couponholders.

14 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer, the Issuing and Paying Agent and/or the Registrar may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

16 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 16, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

17 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be *The Business Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 17.

So long as the Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is (i) held on behalf of Euroclear or Clearstream, Luxembourg, or any other clearing system (except as provided in (ii) below of this Condition 17), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate or (ii) held by CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to CDP for communication by it to entitled accountholders in substitution for publication as required under these conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate.

18 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19 Governing Law and Jurisdiction

(a) **Governing Law:** The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons, Talons ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) **Service of Process:** The Issuer has in the Trust Deed irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") or CDP.

Upon the initial deposit of a Global Note with the Common Depositary or with CDP or registration of Registered Notes in the name of (i) any nominee for Euroclear or Clearstream, Luxembourg (as the case may be) and/or (ii) CDP and delivery of the relevant Global Certificate to the Common Depositary or CDP (as the case may be), Euroclear or Clearstream, Luxembourg or CDP (as the case may be) will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, CDP or any other clearing system (each an "**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, CDP or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, CDP or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**") or in a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**") is not applicable, in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The holder of a temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due presentation of the temporary Global Note for exchange, delivery of (or, in the case of a subsequent exchange, due endorsement of) a permanent Global Note or delivery of Definitive Notes, as the case may be, is improperly withheld or refused by or on behalf of the Issuer.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

(i) if the permanent Global Note is held on behalf of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(ii) if the permanent Global Note is cleared through the CDP System (as defined in "*Clearance and Settlement — CDP*") and (a) an Event of Default (as defined in the Terms and Conditions of the Notes) has occurred and is continuing, (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available or (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties and no alternative clearing system is available.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Global Certificates

The following will apply in respect of transfers of Notes held in Euroclear, Clearstream, Luxembourg, CDP or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) of the Terms and Conditions of the Notes may only be made:

(i) in whole but not in part if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) in whole but not in part if principal in respect of any Notes is not paid when due; or

(iii) in whole or in part with the prior consent of the Issuer; or

(iv) in whole but not in part if the Global Certificate is cleared through CDP and:

  (a) an Event of Default has occurred and is continuing; or

  (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise); or

  (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or

  (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties and no alternative clearing system is available,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Terms and Conditions of the Notes.

3.5 Delivery of Notes

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Paying Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes. Global Notes and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Paying Agent) is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be enfaced on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 7(f) and Condition 8(d) of the Terms and Conditions of the Notes will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of "business day" set out in Condition 7(h) of the Terms and Conditions of the Notes.

All payments in respect of Notes (other than Notes cleared through CDP) represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

All payments in respect of Notes cleared through CDP and represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the fifth business day in Singapore before the due date for payment thereof.

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8 of the Terms and Conditions of the Notes).

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Paying Agent) for endorsement in the relevant schedule of such permanent Global Note or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the register of the certificate holders, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions of the Notes, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, CDP or any other clearing system (as the case may be).

4.7 Noteholders' Options

Any option of the Noteholders provided for in the Terms and Conditions of the Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Paying Agent), for notation.

4.8 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held by or on behalf of, or Registered Notes are registered in the name of, or in the name of any nominee or sub-custodian for, a clearing system, the Trustee and the Issuing and Paying Agent are entitled to have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and are entitled to consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.9 Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held (i) on behalf of Euroclear and/or Clearstream, Luxembourg or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Notes or by delivery of the relevant notice to the holder of the Global Note or Global Certificate, or (ii) by CDP, subject to the agreement of CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to CDP for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Notes or by delivery of the relevant notice to the holder of the Global Note or Global Certificate.

5 Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holders in respect of them.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for its and its subsidiaries' general working capital and other corporate purposes, including but not limited to, the financing of the Group's investments and the repayment of borrowings (if applicable). If, in respect of any particular issue, there is a particular identified use of proceeds other than as provided above, this will be stated in the applicable Pricing Supplement for the Notes.

CAPITALISATION AND INDEBTEDNESS

The following information should be read in conjunction with the Group's consolidated financial statements and the related notes included elsewhere in this Offering Circular and the section entitled "*Use of Proceeds*" in this Offering Circular.

The Group's cash and cash equivalents, capitalisation and indebtedness (unaudited) as at 30 September 2014 were as follows:

	As at 30 September 2014
	(Unaudited) **(S$'000)**
Cash and cash equivalents	179,002
Indebtedness	
Short-term loans	519,903
Bond payables — net[2]	716,359
Current maturities of long term loans and borrowings[1]	276,222
Long term loans and borrowings — net of current maturities[1]	703,638
Total Indebtedness	2,216,122
Total Equity	2,593,864
Total Capitalisation and Indebtedness[3]	4,290,083

Notes:

(1) Including bank loans, consumer financing and other loans but excluding bonds payable — net.

(2) Including (a) S$175 million 5.95 per cent. Notes due 2016 issued by the Company in April 2014, (b) S$150 million 5.90 per cent. Notes due 2017 issued by the Company in May 2014, and (c) S$104,703,220 1 per cent. Non-Convertible Bonds due 2018 issued by the Company in May 2013.

(3) Total capitalisation and indebtedness is the sum of total equity, long-term debt (including current maturities) and bonds payable — net (including current maturities).

SHARE CAPITAL AND SHAREHOLDINGS

Share Capital of the Company

As at 31 December 2014, the Company has an issued and paid-up share capital of S$l,883,136,758.64 comprising 4,824,965,112 ordinary shares.

In connection with the IMAS Acquisition, the Company has issued (i) S$80,000,000 in principal amount of zero per cent. convertible bonds due 2018 and (ii) S$104,703,220 in principal amount of one per cent. non-convertible bonds due 2018.

Shareholdings

The interests of the Directors and substantial shareholders of the Company, based on information recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained by the Company, as at 31 December 2014, were as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	per cent.(1)	No. of Shares	per cent.(1)	No. of Shares	per cent.(1)
Directors						
Lim Hock San	1,714,000	0.04	—	—	1,714,000	0.04
Eugene Cho Park	200,000	n.m	—	n.m	200,000	n.m
Gianto Gunara	200,000	n.m	—	n.m	200,000	n.m
Jusak Kertowidjojo	—	—	—	—	—	—
Choo Kok Kiong	—	—	—	—	—	—
Tan Chin Nam	—	—	—	—	—	—
Axton Salim	—	—	—	—	—	—
Foo Ko Hing	—	—	—	—	—	—
Rivaie Rachman	—	—	—	—	—	—
Substantial Shareholders						
Dornier Profits Limited ("**Dornier**")	189,545,100	3.93	467,466,638	9.69	657,011,738	13.62
Parallax Venture Partners XXX Ltd ("**PVP**")	2,936,862,151	60.87	657,011,738	13.62	3,593,873,889	74.48
Salim Wanye (Shanghai) Enterprises Co., Ltd ("**Salim Wanye**")(2)	—	—	3,593,873,889	74.48	3,593,873,889	74.48
Jaslene Limited ("**Jaslene**")(2)	—	—	3,593,873,889	74.48	3,593,873,889	74.48
Success Medal International Limited ("**Success Medal**")(2)	—	—	3,593,873,889	74.48	3,593,873,889	74.48
Salim & Van (Shanghai) Investment Ltd ("**Salim & Van**")(2)	—	—	3,593,873,889	74.48	3,593,873,889	74.48
Manyip Holdings Limited ("**Manyip**")(2)	—	—	3,593,873,889	74.48	3,593,873,889	74.48
Anthoni Salim(3)	—	—	3,596,980,577	74.55	3,596,980,577	74.55
Sembcorp Development Ltd ("**SDL**")(4)	577,057,166	11.96	—	—	577,057,166	11.96
Sembcorp Industries Ltd ("**SCI**")(4)	—	—	577,057,166	11.96	577,057,166	11.96
Temasek Holdings (Private) Limited ("**Temasek**")(4)	—	—	577,057,166	11.96	577,057,166	11.96

Notes:

(1) Based on 4,824,965,112 issued Gallant shares as at 31 December 2014.

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

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

(4) Temasek has an interest in more than 20 per cent. of the share capital of SCI, and SCI in turn has a controlling interest in SDL. Accordingly, Temasek and SCI are deemed to be interested in the Gallant shares in which SDL has a direct interest.

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

THE GROUP

Overview

The Company was incorporated in Singapore on 7 April 2003 as a private company limited by shares. It was converted into a public company in April 2006 and its shares were listed on the SGX-Sesdaq in June 2006. In June 2007, the listing and quotation of the Company's shares were transferred from SGX-Sesdaq to the Main Board of the SGX-ST.

The Company is an investment holding company headquartered in Singapore with businesses in Singapore, Indonesia and the PRC. As at 31 December 2014, the Company had a market capitalisation of approximately S$1.21 billion.

Prior to 2010, the Group's investments focused mainly in Batam and Bintan in Indonesia, located near Singapore across the Singapore Straits. The Group operates the Batamindo Industrial Park and the Bintan Industrial Estate in Batam and Bintan, respectively, where the Group is the private provider of certain utilities to these industrial parks and Bintan Resorts in Bintan. The Group also provides overall support facilities and services to resorts located in Bintan Resorts.

The Group's property development activities in Bintan are focused in the northern and western parts of Bintan where it owns approximately 18,200 ha of resort and industrial land and acts as the master planner for industrial park and resort development opportunities in Bintan Industrial Estate and Bintan Resorts, respectively.

Pursuant to an opportunity presented to the Group to participate in the property business in the PRC, in 2010, the Company invested in U.S.$202.5 million principal amount of notes issued by Market Strength at par with 202,500,000 detachable warrants. The proceeds from the issue of the MS Notes with the MS Warrants to the Company were utilised by Market Strength in connection with its acquisition of an interest in the residential and commercial property development located in Lao Xi Men, Huangpu District, Shanghai, PRC.

In May 2013, the Group acquired a 52.35 per cent. stake in IMAS, a company listed on the IDX. As required under the relevant Indonesian laws and regulations, the Company conducted a mandatory tender offer for certain IMAS shares which were not held by the Company and this resulted in the Group's shareholding interest in IMAS increasing to 71.49 per cent. The IMAS Group is an integrated automotive business group which is one of the two largest automotive groups in Indonesia. The Company intends to, *inter alia*, enter into placement arrangements to place out some or all IMAS shares tendered in acceptance of the IMAS Tender Offer. As at 31 December 2014, IMAS had a market capitalisation of approximately Rp11.06 trillion (approximately S$1.18 billion).

In December 2013, IMJ, a subsidiary of IMAS, was listed on the IDX. IMJ, together with its subsidiaries which include IMFI and CSMC, are engaged in the business of vehicle financing and vehicle rental. As at 31 December 2014, IMJ had a market capitalisation of approximately Rp3.03 trillion (approximately S$320 million). As at 31 December 2014, the percentage shareholding of IMAS in IMJ is 89.6 per cent.

For FY2011, FY2012, FY2013 and 9M2014 (unaudited), the Group's consolidated net revenues were approximately S$203.4 million, S$204.2 million, S$1,854.7 million and S$l,671.5 million, respectively, and the Group posted profits attributable to shareholders of approximately S$8.3 million, S$11.2 million, S$47.5 million and a loss attributable to shareholders of S$19.7 million, respectively. As at 31 December 2013 and 30 September 2014 (unaudited), the Group had net tangible assets of approximately S$2.0 billion and S$2.0 billion, respectively.

Business Strategies

Build a diversified investment portfolio with primary focus in Indonesia.

The Company is an investment holding company which aims to maximise shareholders' value. Its strategy is to build a diversified portfolio with primary focus in Indonesia. The Group intends to continue to build on and leverage upon its core competencies, in-depth domain knowledge in Indonesia and strong shareholder support to broaden and strengthen its market reach. The Group aims to establish a strong investment portfolio that diversifies investment risk and volatility while delivering long-term returns to its shareholders. The Group intends to explore investment and/or divestment opportunities, if any, that may arise from time to time. Announcements will be made as and when necessary.

Capitalise on growth opportunities in the Indonesian automotive market.

The Group believes that there are growth prospects for the Indonesian automotive market and seeks to position the Group to capitalise on these growth prospects. Based on data from Gaikindo, the number of passenger cars and commercial vehicles sold in Indonesia in 2013 increased by 11.0 per cent. to 1,218,961 units compared to

2012, and the number of passenger cars and commercial vehicles sold in Indonesia in the nine months ended 30 September 2014 increased by 1.68 per cent. to 896,654 units compared to the nine months ended 30 September 2013. The Group intends to capitalise on these growth opportunities through the following strategies:

- *Increase market share for existing brands.*

  The Group targets to achieve a gradual increase in the market share in Indonesia for both *Nissan* in the passenger car segment, and *Volvo* and *Renault* trucks in the European heavy-duty trucks segment, while maintaining *Hino's* market share in Indonesia for the Japanese medium and heavy-duty trucks segment.

- *Increase production and sale of low-cost and fuel-efficient cars.*

  In a bid to support the production of low-cost green cars, the Indonesian government introduced new regulations which offer tax breaks and incentives to manufacturers of small, fuel-efficient cars. The Group intends to manufacture and sell more low-cost, fuel-efficient cars, such as the *Datsun Go* and the *Datsun Go+*, which are being produced in Indonesia by NMI (a joint venture company with Nissan Motor Company Ltd. in which the IMAS Group holds a 25.0 per cent effective interest).

- *Grow the car financing business of the Group.*

  IMFI provides vehicle financing for the purchase of motorcycles, passenger cars, commercial vehicles and heavy equipment and machinery. As the financing arm of the IMAS Group, IMFI has access to a captive market for financing cars, trucks and heavy equipment which are sold by the IMAS Group. The Group plans to increase the proportion of its vehicle sales that are financed through IMFI.

- *Grow the car rental, transportation and logistics businesses of the Group.*

  Through Indorent, the Group focuses on providing long-term vehicle rental, fleet management, transportation and logistics services to corporate customers in various industries such as banking and finance, consumer goods, logistics and distribution, manufacturing, oil and mining, telecommunications and pharmaceutical, throughout Indonesia. Indorent plans to expand its fleet size as well as the range of transportation and logistics services provided by it.

- *Increase the ancillary income of the Group.*

  The Group also seeks to increase the ancillary income derived from products and services that it offers to its customers, including after-market services and spare parts and commission from the sale of vehicle insurance underwritten by third parties.

- *Expand the Group's heavy-duty trucks and equipment business.*

  The Group's heavy-duty trucks and heavy equipment business segment generates a higher gross margin compared to the Group's passenger cars business segment. Heavy-duty trucks and equipment generate a high volume of after-market services and spare parts business for the Group, as its customers require these trucks and equipment to be available for use on a 24/7 basis. The Group plans to increase the range of heavy equipment which it sells to provide a more comprehensive range of heavy equipment for the mining and construction industries. In line with the growth in business, the Group also plans to increase the hiring and training of skilled mechanics to service the products sold.

Enhance facilities and infrastructure in the Group's industrial parks and utilities businesses.

The Group intends to continue to develop its facilities and infrastructure in its industrial parks and utilities businesses to achieve better returns. The Group is exploring alternative energy sources which will enable the Group to provide electricity at more competitive rates, including through the construction of coal-fired power plants. Through the Group's facilities improvements in its industrial parks, including improved transportation, residential and supporting infrastructure, the Group seeks to offer a stronger platform as it competes for tenants with other industrial parks in the region.

Develop Lagoi Bay to be an attractive vacation destination.

The Group is the master planner and developer of the Lagoi Bay development. The Lagoi Bay development is designed to complete the continuum of resort facilities on the northern coast of Bintan. The Group aims to develop Lagoi Bay as a mixed-use development offering a variety of tourism, resort and residential accommodation and commercial and recreational facilities. The Lagoi Bay development will include sites for sea-facing resort developments, residential sites, lakeside condominiums and the Lagoi Beach Village. The Lagoi Beach Village will feature a pedestrian mall and land plots that are suitable for the development of boutique hotels, retail shops and food and beverage outlets. The mall has been substantially completed and construction work for related infrastructure (such as roads, landscaping and pedestrian walkway) is ongoing. The mall is targeted for opening in the first half of 2015. The Lagoi Bay development will include power, potable water, telecommunications, sewer lines and all sites will be served by road access to all of its sites.

The Group believes that Lagoi Bay will represent a milestone for property development in Bintan, as it has the potential to give Singapore-based and other investors an alternative to more established vacation home markets such as Bali, Phuket and Singapore, where prices are significantly higher and have risen dramatically in recent years.

Participate in the property business in the PRC.

In 2010, the Group invested in the MS Notes and MS Warrants of Market Strength. Upon the exercise of the MS Warrants, the Group will effectively hold an indirect 47.7 per cent. interest in the Shanghai Property Project, making the Group the single largest investor in the Shanghai Property Project. If and when the Group exercises the MS Warrants for an equity interest in the Shanghai Property Project, it will acquire interests in a prime Shanghai property. The Shanghai Property Project is a mixed-use development with residential and commercial spaces which are integrated with the local train network. With rapid developments in the area and its close proximity to Xin Tian Di (新天地), the Shanghai Property Project hopes to integrate with the neighbouring developments by offering high end residential units. The Group intends to maximise yield from the Shanghai Property Project and exit, partially or otherwise, upon completion of the Shanghai Property Project. The Group intends to reinvest cash generated from the Shanghai Property Project in other ventures in the region.

Competitive Strengths

Extensive automotive distribution and vehicle financing networks in Indonesia.

The IMAS Group has one of the most extensive automotive distribution networks in Indonesia with an aggregate of 204 retail branches in Indonesia as at 30 September 2014. Indonesia is an archipelago spanning over 5,000 kilometres from west to east, rendering the availability of spare parts and after-sales service across the country critical in supporting higher vehicle sales penetration. As at 30 September 2014, the IMAS Group supplied either original manufacturers' parts or "IndoParts" compatible spare parts to more than 7,000 outlets across Indonesia.

For *Nissan* passenger cars, the IMAS Group is the authorised retailer in Indonesia through its 103 retail branches as at 30 September 2014, which gives it control over the marketing and sales of the cars, and assists in ensuring the absence of any price under-cutting among different retail branches. For heavy-duty trucks and equipment, the IMAS Group establishes on-site workshops at its customers' sites and provides trained mechanics to staff them as an integral part of its after-sales service. As at 30 September 2014, the IMAS Group's heavy-duty trucks and equipment operations had 21 retail branches and 39 on-site workshops in Indonesia.

The IMAS Group also has an extensive vehicle financing network in Indonesia. As at 30 September 2014, the IMAS Group's vehicle financing operations had 80 branches and 133 outlets in Indonesia. In addition, IMFI (the IMAS Group's subsidiary through which the IMAS Group provides vehicle financing services in Indonesia) cooperates with more than 2,000 dealerships throughout Indonesia.

As at 30 September 2014, Indorent had 16 service points providing vehicle rental, fleet management, transportation and logistics services across Indonesia.

Integrated automotive distribution platform with a wide range of products and services.

The IMAS Group offers an integrated automotive distribution platform in Indonesia. The IMAS Group's 204 retail branches as at 30 September 2014 offer a wide range of services, including after-sales service with original manufacturers' parts. Through IMFI, the IMAS Group provides financing for vehicle purchases, for both motorcycles and cars. Under "IndoParts", the IMAS Group supplies after-market parts to third-party outlets across Indonesia. The IMAS Group also provides ancillary products and services through its retail branches, such as vehicle insurance underwritten by third parties, car accessories and assistance with car registration. The IMAS Group's businesses in different segments of the distribution chain provide it with the opportunity to enhance earnings across the distribution chain.

The IMAS Group has received multiple awards for the vehicles sold by the IMAS Group over the years. Its *Nissan* dealership ranked at number two in JD Power Asia Pacific's 2010 Sales Satisfaction Index and at number three in JD Power Asia Pacific's 2010 Customer Service Index in Indonesia. In addition, the IMAS Group's models received accolades such as being the best vehicles in their respective categories from Otomotif Awards 2010 for *Audi A4* and *Volkswagen Golf GTI,* Autobild Awards 2010 for *Audi Q5, Volkswagen Golf GTI* and *Nissan Teana,* Mobil Motor Awards 2010 for *Nissan Teana* (including being named Car of the Year 2010) and *Nissan X-Trail,* Car & Tuning Guide Awards 2010 for *Nissan X-Trail, Volkswagen Touran* and *Audi R8-V10* and

Autocar Indonesia Reader's Choice Awards 2010 for *Nissan Grand Livina, Volkswagen Golf TSI* and *Audi Q5*. In 2010, IMFI was also recognised as one of 2010's "Excellent" multi-finance companies in Indonesia with assets over Rpl trillion by the Infobank Magazine.

In 2011, the IMAS Group was named by Forbes Indonesia as one of the top ten big companies (being companies with sales over U.S.$1 billion). This award is based on several indicators, namely the consistency of a company's operating income in the last five years, sales for the last five years, the increase in stock prices in the last year, and growth in the earnings per share of a company in the last three to five years. Additionally, the following vehicle models of the IMAS Group received accolades for being the best vehicle model in their respective categories:

Award	Vehicle Model
Target Car Best Buys Awards	*Nissan Navara, Volkswagen Golf TSI, Volkswagen Touran, Audi Q5*
Otomotif Award 20 years	*Nissan March, Nissan NP 300, Nissan Grand Livina, Volkswagen Golf TSI*
Car & Tuning Guide Magazine Awards 2011	*Nissan Juke, Volkswagen Touran*
Mobil Motor Indonesia Car of The Year 2011	*Nissan Juke, Nissan Grand Livina, Volkswagen Touran TSIAT*
Autobild Indonesia Award 2011	*Nissan Juke, Infiniti FX, Volkswagen Golf TSI AT and Audi A6*

In 2012, the IMAS Group was named by Investor Magazine as the best public company in various industry sectors. Additionally, the following vehicle models of the IMAS Group received accolades for being the best vehicle model in their respective categories:

Award	Vehicle Model
Autocar Indonesia Readers Choice Awards 2012	*Nissan March, Nissan Juke, Audi A6, Volkswagen Golf TSI, Volvo XC 60*
Otomotif Award 2012	*Nissan March, Nissan Elgrand, Nissan Juke, Nissan Murano, Audi A4, Volkswagen Golf TSI*
Target Car Best Buys Awards	*Nissan March, Audi A6, Volkswagen Golf TSI, Volkswagen Touran, Nissan Juke, Nissan Frontier Navara*

In 2013, IMAS was named by Fortune Indonesia magazine as one of Indonesia's 20 most admired companies. Additionally, the following vehicle models of the IMAS Group received accolades for being the best vehicle model in their respective categories:

Award	Vehicle Model
Car Mall Car Buyers Guide 2012-2013	*Nissan Grand Livina, Nissan Evalia, All New Nissan Serena, Nissan Juke*
Otomotif Award 2013	*Nissan Evalia, All New Nissan Serena, Nissan Elgrand, Nissan Juke*
Autocar Indonesia Reader's Choice Awards 2013	*Nissan Evalia, Nissan Juke, Volkswagen Golf*
Target Car Best Buys Awards 2013	*Nissan Juke, Volkswagen Touran, Audi A6*

In 2014, IMAS was named by Bisnis Indonesia as one of the best listed companies in the miscellaneous industry sector. Additionally, the following vehicle models of the IMAS Group received accolades for being the best vehicle model in their respective categories:

Award	Vehicle Model
Otomotif Award 2014	*New Nissan Evalia, All New Nissan Serena, Nissan Juke*
Autocar Readers Choice Awards 2014	*Nissan Evalia, Audi RS4 Avant, Nissan Juke*
Car Lifestyle Award 2014	*Nissan All New Grand Livina, Nissan Juke, Volkswagen New Golf TSI*
Wow Product in Automotive IIMS 2014	*Hino Ranger, Datsun GO+ Panca, All New Nissan X-Trail*
Indonesia Car of the year Award 2014	*Nissan Juke RX, Nissan X-Trail 2.5 CVT, Nissan Teana 2.5 XV, All New Nissan X-Trail 2.5 CVT*
Autobild Award 2014	*Nissan March, Nissan Teana, Nissan Evalia, Nissan Elgrand, Nissan Juke, All New Nissan X-Trail*

Strong and long-standing relationship with its automotive manufacturer principals.

The Group has long-standing relationships with many of its automotive manufacturer principals, such as *Nissan, Volvo Trucks* and *Hino* which date back at least two decades. Through its strength in the distribution and sale of passenger cars and commercial vehicles in Indonesia, the Group offers its principal partners an understanding of local consumers' needs and wants, an established industry track record and distribution network, and close cooperation in the hiring and training of skilled technicians and other employees.

In the area of manufacturing, the Group has collaborated with its principal partners. Due to the automotive industry tax structure in Indonesia, automotive manufacturers establish manufacturing and/or assembly operations in Indonesia to assemble CKD vehicles. CKD vehicles benefit from significantly lower import duty compared to CBU vehicles, and as such have lower selling prices. The Group owns an effective interest of 25.0 per cent. in the assembly operations for *Nissan* passenger cars and a 10.0 per cent. interest in the assembly operations for *Hino* commercial vehicles in Indonesia. The Group's subsidiary, PT National Assemblers, began assembling in Indonesia the *Audi A6* and the *Volkswagen Golf* in December 2010, and the *Audi A4* in March 2011. The Group has invested in a new assembling plant to accommodate the increasing volume of cars to be assembled due to the introduction of the *Volkswagen Tiguan TSI* and the new *Volkswagen Golf TSI*. The new assembling plant commenced operations in October 2013 and has been fully operational since January 2014. In 2014, the Group's associate company, PT Kyokuto Indomobil Manufacturing Indonesia also inaugurated a new plant in Indonesia for the manufacturing of dump truck bodies and mixers.

Close proximity to Singapore's air and sea transportation hubs.

Bintan and Batam are approximately 45 km southeast and 20 km south of Singapore, respectively. The close proximity to Singapore allows tenants and other occupants in the Group's industrial parks to take advantage of Singapore's well-developed air and sea transportation hubs, including Changi Airport.

Proximity to Singapore benefits many of the customers of the Group's industrial parks who utilise Singapore for transshipment of goods manufactured in the Group's Batam and Bintan industrial parks to their ultimate destinations. Many guests of Bintan Resorts reach the island through the Group's ferry service from Tanah Merah in Singapore, which is conveniently located close to Changi Airport for international travellers to the island.

Quality industrial parks with available skilled, low-cost labour and which benefit from the close economic cooperation between Indonesia and Singapore.

The customers of the Group's industrial parks benefit from the availability in Indonesia of skilled, low-cost labour. In the past, the Indonesian government has supported the migration of workers from other parts of Indonesia to Batam and Bintan to prevent a labour shortage from developing on the islands.

The Group's businesses in Bintan and Batam benefit from the close economic cooperation between Indonesia and Singapore and the signing in 1990 of the agreement between the governments of Indonesia and Singapore on Economic Cooperation in the Framework of the Development of the Riau province, which provides for, among other things, the cooperation of both governments in promoting international investment in tourist resort development and tourist infrastructure in the Riau province of Indonesia (particularly Bintan), investments in Singapore by Indonesian residents and companies and investments in Indonesia by Singaporean residents and companies and the development of investment projects in the Riau province and Singapore.

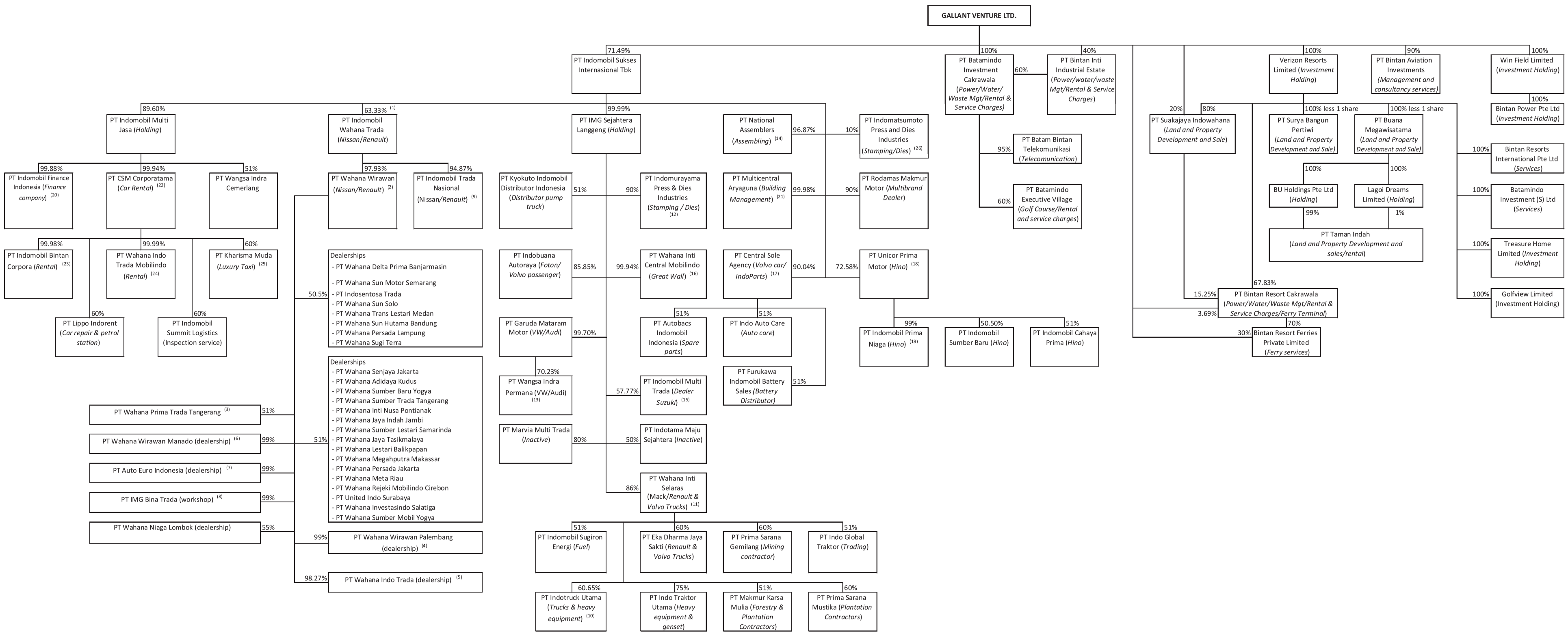
As a result of the economic cooperation between Indonesian and Singapore, currently, investors and tenants of the Group's industrial parks in Batam and Bintan may enjoy certain incentives such as preferential duties under the Generalised System of Preferences, the absence of foreign exchange controls in Indonesia as well as the benefit of having 25 per cent. of the total export volume permitted for the domestic market.

Experienced and stable management team.

The Group's executive officers have extensive industry knowledge, management skills and in-depth experience in their respective fields. Many of the Group's executive officers have been with the relevant company in the Group, on average, for more than ten years. This has contributed to efficiency in the Group's operations and execution of its business strategies.

Organisational Structure

The following chart sets out the corporate structure of the Group and its consolidated subsidiaries as at 31 December 2014:



Notes:

(1) The remaining 36.67 per cent. is owned by the Group's subsidiary, PT IMG Sejahtera Langgeng ("**IMGSL**").

(2) The remaining 2.07 per cent. is owned by IMGSL.

(3) The remaining 49 per cent. is owned by the Group's subsidiary, PT Indomobil Wahana Trada ("**IWT**") .

(4) The remaining 1 per cent. is owned by IWT.

(5) The remaining 1.73 per cent. is owned by IMGSL.

(6) The remaining 1 per cent. is owned by IWT.

(7) The remaining 1 per cent. is owned by the Group's subsidiary, PT Wahana Indo Trada.

(8) The remaining 1 per cent. is owned by IMGSL.

(9) The remaining 5.13 per cent. is owned by IMGSL.

(10) IMAS holds 14.35 per cent..

(11) The remaining 14.00 per cent. is owned by IMAS.

(12) The remaining 10 per cent. is owned by IMAS.

(13) The other shareholders are IMAS (0.04 per cent.) and IMGSL (29.73 per cent.).

(14) The remaining 3.13 per cent. is owned by the Group's subsidiary, PT Unicor Prima Motor.

(15) The remaining 42.23 per cent. is owned by IMAS.

(16) The remaining 0.06 per cent. is owned by IMAS.

(17) The other shareholders are the Group's subsidiaries, IMGSL (2.416 per cent.) and PT Wahana Inti Central Mobilindo (7.539 per cent.).

(18) The remaining 23.90 per cent. is owned by IMGSL.

(19) The remaining 1 per cent. is owned by IMGSL.

(20) The remaining 0.125 per cent. is owned by IMGSL.

(21) The remaining 0.02 per cent. is owned by IMGSL.

(22) The remaining 0.06 per cent. is owned by IMGSL.

(23) The remaining 0.02 per cent. is owned by IMGSL.

(24) The remaining 0.01 per cent. is owned by the Group's subsidiary, PT Indomobil Bintan Corpora.

(25) The remaining 40 per cent. is owned by the Group's subsidiary, PT Wahana Indo Trada Mobilindo.

(26) The remaining 41 per cent. is owned by IMGSL.

Principal Business Activities

The principal business activities of the Group can be broadly classified into five categories: automotive, utilities, industrial parks, resort operations and property development.

The following sets out the contribution from each of the aforementioned business divisions to the Group's net revenues and profits for FY2013 and 9M2014 (unaudited):

	The Group's net revenues		The Group's operating profit / (loss)(1)	
Business Division	**FY2013(2)**	**9M2014 (unaudited)**	**FY2013(2)**	**9M2014 (unaudited)**
		(per cent.)		
Automotive	87.9	90.8	66.6	49.0
Utilities	5.8	4.7	12.9	33.9
Industrial parks	2.2	1.7	(2.7)	(1.0)
Resort operations	1.1	1.0	(6.1)	(6.8)
Property development	3.0	1.8	29.3	(24.8)

Notes:

(1) Profit before interest and tax expenses.

(2) FY2013 included consolidation of the IMAS Group's revenues and profit/(loss) from 2 May 2013.

The above table and the information set out in this section should be read in conjunction with the full text of this Offering Circular, including the audited consolidated financial statements of the Group for FY2013 and the unaudited consolidated financial statements in respect of the Group for 9M2014 set out on pages 90, F-17 to F-118 and F-2 to F-16 of this Offering Circular respectively.

Automotive

IMAS was listed in 1993 on the Jakarta and Surabaya Stock Exchanges. Since 2007, the IMAS shares were listed on IDX when the two stock exchanges were merged to become the IDX. IMJ, a subsidiary of IMAS, was listed on the IDX in December 2013.

The IMAS Group is an integrated automotive business group and is one of the two largest automotive groups in Indonesia. The primary line of business of the IMAS Group includes vehicle sales distribution, after sales service, vehicle ownership financing, spare parts distribution including under the "IndoParts" brand, vehicle assembly, automotive parts/component manufacturing and other related supporting services. The IMAS Group manages brands including *Audi, Datsun, Foton, Hino, Kalmar, Manitou, Nissan, Renault, Renault Trucks, Suzuki, Volkswagen, Volvo, Volvo Trucks* and *Volvo Construction Equipment* in Indonesia. The IMAS Group's products cater mainly to the Indonesian middle-class consumer sector and the industrial equipment (especially mining-related) segment. In addition, the IMAS Group has a growing financing arm targeting both retail consumers (in the form of vehicle hire-purchase) and corporations (including the provision of heavy equipment financing). The IMAS Group also provides vehicle rental services to both corporate customers as well as individuals. The IMAS Group also operates as a coal mining contractor in East Kalimantan providing, among others, land clearing, overburden removal, coal hauling, mud removal and general works.

For FY2013 and 9M2014, the IMAS Group's consolidated net revenues were approximately Rp20,095 billion and Rp14,181 billion, respectively, and the IMAS Group posted net income of approximately Rp621 billion and a net loss of Rp158 billion, respectively. The IMAS Group's share of results in its associate companies were approximately Rp123 billion and a loss of Rp214 billion for FY2013 and 9M2014, respectively. The IMAS Group's associate companies are involved in the assembly and wholesale distribution of *Nissan* passenger cars and the wholesale distribution of *Hino* commercial vehicles and contributed in aggregate 95.84 per cent. and 101.41 per cent. of the total share of results in its associate companies for FY2013 and 9M2014, respectively.

The principal place of business and registered office of IMAS is located in Jakarta, Indonesia. The IMAS Group's manufacturing and assembling facilities are mainly located in industrial estates around Jakarta and West Java, while other supporting automotive services such as dealership, workshop and financing are mainly located in big cities in Indonesia, including in Java, Bali, Lombok, Sumatra and Kalimantan.

Automotive distributor and dealer

The automotive brands that the IMAS Group represents include the following:

(a) *Nissan.* The IMAS Group is the authorised retail dealer of *Nissan* passenger cars in Indonesia. Sales of *Nissan* cars accounted for 49.64 per cent. and 45.24 per cent. of the IMAS Group's net revenues in FY2013 and 9M2014, respectively and 16.43 per cent. and 14.39 per cent. of the IMAS Group's gross profits in FY2013 and 9M2014, respectively. The *Nissan* passenger cars that the IMAS Group sells in Indonesia are assembled and distributed to the IMAS Group's retail dealership operations by its two associate companies in Indonesia, both of which are joint ventures between the IMAS Group and Nissan Motor Company Ltd. and in which the IMAS Group holds a 25.0 per cent. effective interest. As at 30 September 2014, the IMAS Group had 103 *Nissan* retail branches throughout Indonesia. Based on data from Gaikindo, *Nissan's* market share in the passenger car segment, based on retail unit sales volumes, was 7.24 per cent. in 2013 and 6.08 per cent. in the nine months ended 30 September 2014.

(b) *Heavy-Duty Trucks and Equipment.* The IMAS Group is the distributor and dealer for *Volvo, Renault* and *Mack* heavy-duty trucks and *Kalmar* and *Manitou* heavy equipment in Indonesia. Sales of heavy-duty trucks and equipment accounted for 7.43 per cent. and 6.14 per cent. of the IMAS Group's net revenues in FY2013 and 9M2014, respectively and 7.40 per cent. and 6.41 per cent. of the IMAS Group's gross profits in FY2013 and 9M2014, respectively. As at 30 September 2014, the IMAS Group's heavy-duty trucks and equipment operations had 21 retail branches, as well as 39 on-site operations at the premises of its customers to provide dedicated sales and after-sales service and support. The IMAS Group also started operations in March 2011 in East Kalimantan as a coal mining contractor, through its subsidiary, using primarily heavy-duty trucks and equipment sold by the IMAS Group.

(c) *Hino.* The IMAS Group is the largest retail dealer in Indonesia for *Hino* commercial vehicles, covering several regions including Jakarta, Medan, East Java and West Java, and operating 30 out of approximately 142 retail branches in Indonesia as at 30 September 2014. Sales of *Hino* commercial vehicles accounted for 14.31 per cent. and 16.05 per cent. of the IMAS Group's net revenues in FY2013 and 9M2014, respectively and 3.87 per cent. and 3.42 per cent. of the IMAS Group's gross profits in FY2013 and 9M2014, respectively. The *Hino* commercial vehicles that the IMAS Group sells in Indonesia are assembled by its investee company which is a joint venture between the IMAS Group and Hino Motors, Ltd. and in which the

IMAS Group holds a 10.0 per cent. effective interest. The *Hino* commercial vehicles are distributed to retail dealers in Indonesia by the IMAS Group's associate company which is a joint venture with Hino Motors, Ltd. and Sumitomo Corporation and in which the IMAS Group holds a 40.0 per cent. effective interest.

(d) *Others.* The IMAS Group is the wholesale distributor and retail dealer in Indonesia for *Audi* and *Volkswagen* passenger cars. The IMAS Group began locally assembling the *Audi A6* and *Volkswagen Golf* cars at its assembly plant in December 2010 and the *Audi A4* cars in March 2011. The IMAS Group imports CBU cars for the other models of *Audi* and *Volkswagen* cars that are sold by it. As at 30 September 2014, the IMAS Group has eight *Volkswagen* and one *Audi* retail branches in Indonesia.

The IMAS Group is also (i) the exclusive dealer with one retail branch for *Infiniti* passenger cars (which, like *Nissan* cars, are distributed to the IMAS Group's retail dealership by its associate company in Indonesia in which the IMAS Group holds a 25.0 per cent. effective interest), (ii) the authorised dealer with 89 retail branches for *Datsun* passenger cars (which, like *Nissan* cars, are distributed to the IMAS Group's retail dealership by its associate company in Indonesia in which the IMAS Group holds a 25.0 per cent. effective interest), (iii) an authorised dealer for *Suzuki* passenger cars with 3 retail branches (the IMAS Group also holds a 10.0 per cent. effective interest in joint venture companies that assemble and distribute *Suzuki* cars, and owns retail branches for *Suzuki* cars), (iv) the exclusive assembler, distributor and retail dealer of *Foton* light trucks, and (v) the exclusive distributor and authorised retail dealer of CBU *Volvo* passenger cars, and (vi) the exclusive distributor and retail dealer of *Great Wall* double cabin trucks.

The sale of automotives by the IMAS Group accounted for approximately 77.67 per cent. and 73.59 per cent. of the IMAS Group's net revenues in FY2013 and 9M2014, respectively and 37.88 per cent. and 33.25 per cent. of the IMAS Group's gross profits in FY2013 and 9M2014, respectively.

Vehicle financing

The IMAS Group provides vehicle financing through its subsidiary, IMFI, which finances purchases of motorcycles as well as cars, commercial vehicles and heavy-duty trucks and equipment. Other than motorcycle loans, substantially all of the customers of the IMAS Group's vehicle financing operations are purchasers of its vehicles and heavy equipment. Revenue from the IMAS Group's vehicle financing operations, which is primarily made up of interest income and commissions from insurance companies for referrals, accounted for 3.99 per cent. and 4.91 per cent. of the IMAS Group's net revenues in FY2013 and 9M2014, respectively. The IMAS Group's vehicle financing operations also accounted for approximately 18.23 per cent. and 20.04 per cent. of the IMAS Group's gross profits in FY2013 and 9M2014, respectively. As at 30 September 2014, the IMAS Group's vehicle finance operations had 80 branches and 133 outlets.

Out of Rp5,070 billion disbursed in vehicle financing by IMFI in FY2013, motorcycle financing (which financed around 71,100 motorcycle units) constituted 17.72 per cent., passenger car financing (which financed around 10,800 passenger car units) constituted 32.10 per cent., commercial vehicle financing (which financed around 2,600 commercial vehicle units) constituted 18.18 per cent. and heavy equipment financing (which financed around 300 heavy equipment units) constituted 32.00 per cent. Out of Rp3,200 billion disbursed in vehicle financing by IMFI in the nine months ended 30 September 2014, motorcycle financing (which financed around 62,700 motorcycle units) constituted 26.88 per cent., passenger car financing (which financed around 8,100 passenger car units) constituted 31.79 per cent., commercial vehicle financing (which financed around 2,000 commercial vehicle units) constituted 20.64 per cent. and heavy equipment financing (which financed around 180 heavy equipment units) constituted 20.69 per cent.

Typically, the IMAS Group's motorcycle loans have a term of 26 months, passenger car loans have a term of 41 months, commercial vehicle loans have a term of 40 months and heavy equipment loans, which are denominated in U.S. Dollars, have a term of 36 months. All vehicle loans are payable in monthly instalments.

As at 30 September 2014, 0.82 per cent. of all the IMAS Group's vehicle loans then outstanding were overdue by up to 30 days, 0.36 per cent. were overdue by between 31 and 60 days and 0.29 per cent. were overdue by more than 60 days. Any loans overdue for more than 180 days are written off periodically. Once the IMAS Group deems a loan defaulted, it contacts the customer by phone or mail, or sends one of its collectors on a home visit. The next steps in the event of non-payment within 14 additional days involves physical repossession of the vehicle and resale of the vehicle to third parties at a minimum selling price which is based on a prior valuation.

In addition, all vehicles financed by IMFI are required to be insured by one of IMFI's insurance company partners. IMFI is the first beneficiary in the event any claim is made under such insurance policies.

IMFI's sources of funds include bonds, bilateral loans, joint financing and channelling loans and shareholder equity. With the listing of IMJ, there is also a possibility of funding from the public.

Vehicle rental

The IMAS Group's rental services are provided through Indorent. Indorent provides long-term vehicle rental, fleet management, transportation and logistics services to corporate customers in various industries such as banking and finance, consumer goods, logistics and distribution, manufacturing, oil and mining, telecommunications and pharmaceutical, throughout Indonesia. As at 30 September 2014, Indorent operates out of 16 outlets.

The IMAS Group's vehicle rental operations accounted for 3.24 per cent. and 3.87 per cent. of the IMAS Group's net revenues in FY2013 and 9M2014, respectively, and 7.60 per cent. and 7.42 per cent. of the IMAS Group's gross profits in FY2013 and 9M2014, respectively.

Automotive spare parts

The IMAS Group's automotive spare parts segment includes (i) the sale of original manufacturer's spare parts for the vehicles sold by it, and (ii) the distribution of primarily fast moving after-market spare parts for several major motorcycle and vehicle brands under the IMAS Group's "IndoParts" brand. The IMAS Group distributes through third-party distributors or wholesalers over 4,900 motorcycle parts and over 2,200 automobile parts, with a substantial majority of parts imported from various overseas suppliers. The IMAS Group's spare parts segment accounted for 9.94 per cent. and 11.08 per cent. of the IMAS Group's net revenues in FY2013 and 9M2014, respectively, and 21.84 per cent. and 21.47 per cent. of the IMAS Group's gross profits in FY2013 and 9M2014, respectively.

The IMAS Group distributes its motorcycle spare parts through more than 4,900 third-party distributors, and its automobile spare parts through more than 2,200 third-party distributors across Indonesia. The IMAS Group's end customers are vehicle workshops and vehicle owners, who purchase the parts for after-sales service.

Vehicle Assembly and Manufacturing of Automotive Parts and Components

The IMAS Group's vehicle assembly operations are conducted by its subsidiary, PT National Assemblers, which operates an assembly plant located in Jakarta. The IMAS Group's manufacturing operations include the assembly of two models of passenger cars, the *Tiguan* and *Golf*. The Group has invested in a new assembling plant to accommodate the increasing volume of cars to be assembled due to the introduction of the *Volkswagen Tiguan TSI* and the new *Golf TSI*. The new assembling plant commenced operations in October 2013 and has been fully operational since January 2014. In 2014, the Group's associate company PT Kyokuto Indomobil Manufacturing Indonesia also inaugurated a new plant in Indonesia for the manufacturing of dump truck bodies and mixers.

In a bid to support the production of low cost green cars, the Indonesian government introduced new regulations which offer tax breaks and incentives to manufacturers of small, fuel-efficient cars. The IMAS Group intends to manufacture and sell more low-cost, fuel-efficient cars, such as the *Datsun Go* and the *Datsun Go+*, which are being produced in Indonesia by the IMAS Group's joint venture company with Nissan Motor Company Ltd. in which the IMAS Group holds a 25.0 per cent effective interest.

The IMAS Group also manufactures press dies and various automotive parts and components, such as movable drives for clutches, cross member deck floors, bracket comp shock absorbers, metre clusters and digital clocks, at its manufacturing plant in Bekasi.

The assembly of vehicles and manufacture of automotive parts and components by the IMAS Group accounted for 1.74 per cent. and 2.10 per cent. of the IMAS Group's net revenues in FY2013 and 9M2014, respectively, and 5.81 per cent. and 7.89 per cent. of the IMAS Group's gross profits in FY2013 and 9M2014, respectively.

Utilities

The Group is a private provider of utilities in Batam and Bintan in Indonesia. The Group provides electricity, telecommunications, water and waste management services to its industrial parks, Batamindo Industrial Park in Batam and Bintan Industrial Estate in Bintan, and Bintan Resorts in Bintan.

The Group has invested in the construction and development of utilities infrastructure and resources including power generation and distribution facilities, potable water treatment facilities, sewage treatment plants and waste water treatment facilities and landfills.

The utilities business remains challenging and with increasing labour costs, high fuel costs and potential surcharge on gas purchases, the margins from this business maybe impacted.

Electricity

The Group owns power generation facilities in its industrial parks and resorts in Batam and Bintan. As at 30 September 2014, the Group had 19 generators at Batamindo Industrial Park, six generators at Bintan Industrial

Estate and four generators at Bintan Resorts. The age of the Group's generators ranges from seven to 20 years. The Group periodically carries out maintenance work on its generators.

The Group's generators use gas and fuel oil such as high sulphur fuel oil and diesel. The Group purchases substantially all of its gas and fuel oil for its electricity business from PT Perusahaan Gas Negara, PT Pertamina (Persero) and/or their respective associates. The Group is exploring alternative energy sources which will enable the Group to provide electricity at more competitive rates, including through the construction of coal-fired power plants.

In order to cope with any potential increase in electricity consumption and to provide steady power supply to its customers, the Group's power plants have stand-by generating capacity amounting to approximately 30 per cent. of the Group's installed capacity and the Group strives to maintain a reserve supply of fuel at its power plants sufficient to last for approximately seven days. The installed capacities of the Group's generators are as follows:

Location	Installed Capacity (MW)
Batamindo Industrial Park	130
Bintan Industrial Estate	20
Bintan Resorts	24

Quality assurance measures at the Group's power plants include 24-hour security and regular maintenance by a team of technical staff.

Telecommunications

As at 30 September 2014, the Group had high speed broadband and telecommunication services (with capacities of up to 1GB per second and 10,000 lines for either international direct dialing ("**IDD**"), faxed or leased lines) to provide to its tenants and investors in its industrial parks and resorts in Batam and Bintan. The Group also has a 100 metre microwave tower located in Batam which supplements the local authority's optical fibre networks and aims to ensure that there will be no interruptions to the telecommunications requirements of its customers.

The Group regularly tests and inspects its telecommunication equipment as it maintains connectivity with other telecommunication companies. To keep pace with changes in telecommunication technology, the Group periodically reviews new technologies and explores upgrading opportunities.

Water

The Group provides treated water to its industrial parks and resorts in Batam and Bintan. The treated water is either purchased from third parties or treated by the Group. In Batam, water is sourced from two reservoirs at Muka Kuning and Duriangkang which are owned by the local government authority. In Bintan, the Group has its own water sources at Lake Java for Bintan Industrial Estate and a reservoir for Bintan Resorts.

The Group has water treatment plants and facilities in Batam and Bintan where water is treated to specifications that conform to certain guidelines issued by the World Health Organisation. The Group's treated potable water is tested by the Group's staff on a regular basis and on a monthly basis by an independent laboratory.

The Group's water treatment plants in Batam and Bintan can each treat up to approximately 7,000m^3 of potable water each day and the Group maintains up to two days' supply of water which has been treated at its plants. In Batam, the Group is also supported by an alternative source of treated water from the local authority.

The quality assurance measures for the Group's potable water supply in Bintan Resorts also include a treatment plant module on stand-by, spare pumps available for raw water transfer, a standby generator for the pumping station, regular maintenance for the water infiltration system and random checks on chemical supply for compliance to specifications. The entire treatment facility in Bintan Resorts is fenced off and is equipped with 24-hour security. The reservoir at Bintan Resorts is also patrolled regularly and the dam is checked every five years by an accredited dam consultant.

Waste Management

At Bintan Resorts, sewage treatment is undertaken by each resort developer while the Group monitors the effluent quality against the Group's design and development guidelines.

The Group's sewage treatment plants in Batamindo Industrial Park and Bintan Industrial Estate have a total designed capacity of up to about 10,000m^3 and 2,400m^3 per day of sewage, respectively. As at 30 September 2014, the utilisation rate of the Group's sewage treatment plant in Batamindo Industrial Park is between 25 per cent. and 35 per cent. and the utilisation rate of the Group's sewage treatment plant in Bintan Industrial Estate is between 15 per cent. and 20 per cent.

The Group also has waste water treatment facilities at its industrial parks in Batam and Bintan. The Group's waste water treatment plants in Batamindo Industrial Park and Bintan Industrial Estate can treat up to about 10,000m^3 and 2,000m^3 of industrial waste water each day, respectively.

The cost of waste water and sewage treatment is partially recovered from the water tariffs charged to the tenants of the Group's industrial parks.

Industrial Parks

The Group owns and manages the Batamindo Industrial Park in Batam and the Bintan Industrial Estate in Bintan. These industrial parks are managed by PT Batamindo Investment Cakrawala and PT Bintan Inti Industrial Estate, which activities include the development of the industrial parks, sale or lease of land in the parks as well as the provision of ready-built factories ("**RBFs**").

As at 30 September 2014, there is approximately 540,000m^2 and 100,000m^2 of net lettable area in the Batamindo Industrial Park and the Bintan Industrial Estate, respectively. The Group provides RBFs for rental or sale at its industrial parks. The RBFs at the industrial parks are designed with flexible layouts and ease of set-up. Separate areas are broadly designed for offices, production, as well as loading and unloading of goods. To meet the needs of investors and tenants who may require specifications unique to their operations in the factories, the factories may be customised by the amalgamation of existing factories, taking into consideration space and loading requirements. The industrial parks business remains challenging and with increasing labour costs, the margins from this business may be impacted.

As at 30 September 2014, the total area of RBFs built and the percentages of such RBFs which were on rent and which had been sold, at each industrial park were as follows:

Location	Total area of RBFs built	Per cent. of RBFs built which were on rent	Per cent. of RBFs built which had been sold	Per cent. of RBFs built which were available
	(m^2)		(per cent.)	
Batamindo Industrial Park	543,887	66.11	18.88	15.01
Bintan Industrial Estate	106,564	46.93	18.02	35.05

The tenants of the industrial parks include businesses in the semiconductor, electronics, precision engineering, pharmaceuticals, shipping, agriculture, aviation and resource-intensive industries. Tenants of the Batamindo Industrial Park are served by the Batu Ampar and Kabil seaports, the Batam Hang Nadim International Airport and five ferry terminals (namely, Batam Centre, Sekupang, Nongsa, Punggur and Waterfront Marina). Bintan Industrial Estate has its own port and ferry terminal, Bintan Sri Udana, and customs, immigration and quarantine facilities to expedite shipping and provide for the smooth flow of raw materials and finished goods in and out of the park. Accessibility from Bintan Industrial Estate to the surrounding islands is available via the ferry terminals, Bandar Bentan Telani Ferry Terminal at Bintan Resorts and Sri Bintan Pura Ferry Terminal at Tanjung Pinang.

The Batamindo Industrial Park and the Bintan Industrial Estate are industrial parks which provide industrial park facilities, utilities and support services to their tenants and investors. Both industrial parks are conceptualised and designed with the aim to achieve a self-contained manufacturing environment. Support facilities in the industrial parks include the following:

(a) Logistics

At Batamindo Industrial Park, the Group provides some logistics services to its tenants, including the following:

(i) Shipping services. The Group provides daily shipping service for the shipping of containerised, conventional and light to heavy cargoes between Singapore and Batam, as well as provision of documentation services.

(ii) Transshipment services. To enhance and provide the timeliness of transshipment services for inbound and outbound cargo via Singapore, the Group is connected via a system of computers and networks to the Maritime Port Authority of Singapore and International Enterprise Singapore for the latest shipping updates.

(iii) Warehousing, distribution and relocation services. The Group provides warehousing facilities as well as services for the distribution, relocation and transportation of cargo, for its tenants at Batamindo Industrial Park.

At Bintan Industrial Estate, some logistics services (including shipping, transshipment and warehousing services) are provided by Sembawang Kimtrans Ltd., a third-party provider. The Group supports the activities and operations of its tenants via its own port and ferry terminal.

(b) Accommodation and amenities

The Group provides a variety of accommodation to meet the requirements of its tenants ranging from dormitories to condominiums and bungalows.

Each industrial park has a medical clinic which is staffed with doctors, nurses and paramedics, and is equipped with dental, x-ray and minor surgical facilities. As for security and related support, the industrial parks' trained security personnel patrol and guard the premises with night patrols. The Group also has its own fire fighting team for its industrial parks. In addition, both parks have commercial centres, housing, restaurants, local and international banks, sundry shops and places of worship. Other amenities include automated-teller machines, IDD phone booths, food centres, wet market, community hall, and social and recreational facilities.

Resort Operations

The Group provides overall support facilities and services to resorts located in Bintan Resorts. As at 30 September 2014, there are four major integrated resorts at Bintan Resorts and some of the resort properties at each integrated resort are as follows:

Integrated Resorts	Resort Properties
Nirwana Gardens	Nirwana Resort Hotel, Mayang Sari Beach Resort, Mana Mana Beach Club and Cabanas, Indra Maya Villas, Banyu Biru Villas, recreation and convention centre, elephant camp, mini zoo and sea sports centre
Laguna Bintan	Banyan Tree Bintan, Laguna Bintan Golf Club (an 18-hole golf course), Angsana Resort and Spa, conservation laboratorium and sea sports centre
Ria Bintan	Club Med Ria Bintan, Asmara Spa, Ria Bintan Golf Course (which has an 18-hole golf course and a 9-hole golf course), Ria Golf Lodge and sea sports centre
Bintan Lagoon Resort	Bintan Lagoon Hotel and Villas, two 18-hole golf courses, convention centre, ferry terminal and sea sports centre

The Group undertakes the overall planning, development, operations and marketing of Bintan Resorts and provides services to the hotels and resorts located within Bintan Resorts including ferry services and ferry terminal operations, tour operations, property rental, workers' accommodation, medical support and estate and township maintenance.

Ferry terminal operations and ferry services

The Group provides and operates ferry services from Tanah Merah Ferry Terminal in Singapore (which is located a short distance from Changi International Airport) to the Bandar Bentan Telani Ferry Terminal which the Group owns, operates and manages.

The Bandar Bentan Telani Ferry Terminal is one of the main entry points for visitors to Bintan Resorts. The Group runs the overall terminal operations and co-ordinates the facilities for certain Indonesian government departments which include the immigration, customs and port authorities. Procedures are in place for key operations, including issuing of boarding passes, berthing of vessels, handling of embarkation and disembarkation manifests, loading and unloading of baggage and security checks for passengers and baggage. The Group's ferry terminal operations comply with the International Code for the Security of Ships and Port Facilities (the "**ISPS Code**"), an international maritime regulation which regulates the safety and security aspects on land and from sea ports and vessels. Vehicles, staff, visitors and passengers entering the ferry terminal in Bintan Resorts are checked at the main gate of the terminal. These checks include verification of working passes and physical checks.

As at 30 September 2014, the Group owned four ferries which collectively have a maximum seating capacity of approximately 1,176 passengers. The Group ferried more than 270,000 and 215,000 passengers from Singapore to Bintan in FY2013 and 9M2014, respectively. For the Group's ferry operations between Singapore and Bintan, the Group has in place procedures to check that its ferries comply with the Maritime Port Authority of Singapore regulations and the ISPS Code. All of the Group's ferries undergo annual docking where the class surveyors and the Maritime Port Authority of Singapore will audit them for safety of equipment and machinery. All major repairs are carried out during docking.

Marketing of Bintan Resorts

The Group promotes Bintan Resorts as a holiday destination to consumers through consumer advertising, travel trade events, media publicity, Bintan Resorts' internet website and other marketing materials.

Property rental and workers' accommodation

The Group provides property rental services mainly relating to staff housing for workers in Bintan Resorts with some market and retail space. Staff housing is leased to the resort operators for their employees.

Other services and conservancy

The Group provides services such as fire fighting, security, vector monitoring, coral reef monitoring, and road and drain maintenance to certain common areas in Bintan Resorts. The Group's service and conservancy charges are levied based on a combination of factors including size of the resort's land parcel, number of occupants and building area on a cost-plus basis.

The Group also manages the clinic that serves both the employees of, and the tourists to, Bintan Resorts.

Property Development

The Group acts as master planner and developer for its development projects, including industrial, commercial, residential and resort projects, on the Group's land bank in Bintan. The Group undertakes the following as a master developer:

(a) integrated master planning;

(b) management and co-ordination of consultants for development, including planners, architects, landscape architects, environment specialists and engineers;

(c) development of infrastructure of roads, water supply, power supply, telecommunications and associated support facilities which include ferry access between Singapore and Bintan Resorts;

(d) investment and destination marketing; and

(e) operation of infrastructure and support facilities and community development.

The developed land is then sold to developers to build, amongst others, hotels, golf courses and resort homes.

The Group is also looking into revising its revenue recognition policy for land sales to bring it in line with industry practice.

In 2007, the Group launched the development of Lagoi Bay, which is an approximately 1,300 ha plot of land located in northern Bintan. The Lagoi Bay development is earmarked for an integrated resort development, featuring resorts, residential sites, shopping malls, restaurants, entertainment and sea-sport facilities. To date, many of the investors of the Lagoi Bay development such as Alila Villas, The Sanchaya, Grand Lagoi Swiss-Belhotel and Treasure Bay have undertaken substantial construction work on their respective plots. The mall has been substantially completed and construction work for related infrastructure (such as roads, landscaping and pedestrian walkway) are ongoing. The mall is targeted for opening in the first half of 2015.

The following sets out some of the procedures and guidelines which the Group has developed and implemented over the years for its property development:

(a) Resort property development

As a master planner for Bintan Resorts, the Group has developed a number of key developmental guidelines for the development of the properties in Bintan Resorts. The master plan is the overall development concept for the resort that maps out the land uses and development locations. It identifies the various phases of development, the infrastructure required (such as roads, drainage and utilities network), the supporting amenities required and the factors to be considered (such as topography and vegetation in the location), and is constantly being reviewed and updated, where appropriate. The development takes into account overall environmental impact assessment guidelines for the resort development and includes the integration of the

Environmental Monitoring and Management plans as approved in the Regional Environmental Impact Assessment of the Indonesian Authority.

The Group's Design and Development Guidelines is the key planning document which developers or investors have to comply with. It encompasses issues on planning, design, construction and operation of the properties to be developed, including environmental issues.

The site development agreement is the main contract that is to be executed between the Group and buyers of the land plots in Bintan Resorts. The agreement governs and provides the terms and conditions for the development and operations of the business.

(b) Industrial property development

The Group is the master planner for the Group's industrial parks in Batam and Bintan. The Group has a set of developmental guidelines for the development of the industrial properties and these guidelines encompass issues on planning, building design, infrastructure design, construction and operation of the industrial park properties, including environmental issues and security of the industrial parks.

As at 30 September 2014, the Group's inventory of undeveloped land for development is as follows:

Location of Land	Designated Use	Approximate Area (ha)
North of Bintan	Resort, commercial, residential and supporting facilities	14,100
West of Bintan	Industrial, commercial, residential and supporting facilities	3,800
	Total	17,900

Other Investments

In 2010, the Group invested in U.S.$202.5 million principal amount of notes issued by Market Strength at par with 202,500,000 detachable warrants which when converted will constitute approximately 99.9 per cent. of the share capital of Market Strength. Market Strength has effectively an indirect 47.7 per cent. equity interest in Shanghai Project Co. If and when the Group exercises the MS Warrants, the Company will effectively hold an indirect interest in 47.7 per cent. in the Shanghai Property Project, making it the single largest investor in the Shanghai Property Project. Pre-sales for phase one of the southern plot of the Shanghai Property Project are expected to commence around mid-2015 and temporary occupation permit(s) for the units in respect of phase one of the southern plot of the Shanghai Property Project is targeted to be obtained in the second half of 2016. Phase two of the southern plot of the Shanghai Property Project is expected to be completed by mid-2015 and the development of the northern plot is expected to commence in 2015 with the expected completion of the Shanghai Property Project to take place by 2017.

The Group had, through its associated company Gallant Power and Resources Ltd, an investment in PT SILO, an Indonesian company with interests in operational iron ore mines in Kalimantan, Indonesia. Its main products are coarse, fine and lump ore. The Group recently announced that it has disposed its 29.4 per cent. interest in PT SILO.

In October 2013, the Group, through its subsidiary CSMC, entered into a joint venture with Sumitomo Corporation and PT Sumitomo Indonesia in the logistics business, pursuant to which the IMAS Group holds a 60 per cent. stake in the joint venture company, PT Indomobil Summit Logistics.

In February 2014, the Group signed a memorandum of understanding with Garuda Indonesia, to jointly develop Bintan Island as Garuda Indonesia's new hub with a dedicated airport for Garuda Indonesia and its subsidiary, as well as a new centre for aircraft maintenance. Subsequent to this, in December 2014, PT Garuda Maintenance Facility Aero Asia, a member of the Garuda Indonesia group of companies, and PT Bintan Aviation Investments, a subsidiary of the Company, entered into a joint venture agreement to establish a joint venture company for aircraft maintenance at Bintan Industrial Estate. The joint venture company is expected to focus on the growing aircraft maintenance market, particularly wide body aircrafts.

The Group intends to explore investment and/or divestment opportunities, if any, that may arise from time to time. Announcements will be made as and when necessary.

MANAGEMENT

Board of Directors

The Board of Directors (the "**Board**") consists of nine directors, of whom four are Executive Directors, two are Non-Executive Directors and three (including the Chairman) are Independent Directors, as follows:

Name	Position	Date of First Appointment
Lim Hock San	Non-Executive Chairman and Independent Director	1 February 2006
Eugene Cho Park	Executive Director and Chief Executive Officer	1 February 2006
Gianto Gunara	Executive Director	8 November 2006
Jusak Kertowidjojo	Executive Director	30 April 2014
Choo Kok Kiong	Executive Director	30 April 2014
Tan Chin Nam	Non-Executive Director	25 May 2009
Axton Salim	Non-Executive Director	30 April 2014
Foo Ko Hing	Independent Director	8 December 2004
Rivaie Rachman	Independent Director	8 December 2004

Certain information on the business and working experience of the Company's Directors is set out below:

Mr Lim Hock San

Non-Executive Chairman and Independent Director

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

Mr Eugene Cho Park

Executive Director and Chief Executive Officer

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

Mr Gianto Gunara

Executive Director

Mr Gunara is currently Director of Business Operations at Bintan Resorts International Pte Ltd and Vice-President of PT Batamindo Executive Village. He also holds directorships in various companies including Nirwana Pte Ltd, PT Bintan Resort Cakrawala, Bintan Resorts Ferries Pte Ltd, PT Ria Bintan, PT Straits CM Village, PT Bintan Inti Industrial Estate, Verizon Resorts Limited, BU Holdings Pte Ltd, Lagoi Dreams Limited, PT Taman Indah, Batamindo Investment (S) Pte Ltd and Bintan Power Pte. Ltd. Mr Gunara is also a non-executive director of QAF Limited. Mr Gunara has more than 25 years of industry experience having worked with Haagtechno BV — Den Bosch in Holland, Hagemeyer NV, PT Indomarco Nusatrada, Indomarco International and Kangaroo Industries in Los Angeles as well as PT Indoleather Swakarsa.

Mr Jusak Kertowidjojo

Executive Director

Mr Kertowidjojo is the President Director of IMAS. Mr Kertowidjojo was first appointed as the Vice President Director II of IMAS in June 2005 and as its President Director and Chief Executive Officer in June 2011.

Currently, he also serves as a director in a number of IMAS' subsidiaries. He started his professional career with the IMAS Group in 1982. Mr Kertowidjojo obtained a Bachelor's Degree in Economics and Accounting from the Parahyangan University in Bandung in 1982.

Mr Choo Kok Kiong

Executive Director

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

Dr Tan Chin Nam

Non-Executive Director

Dr Tan is currently a senior corporate adviser holding directorships in various boards including Stamford Land Corporation Ltd, Yeo Hiap Seng Ltd, Raffles Education Corporation Ltd, PSA International Pte Ltd, Temasek Management Services (Chairman) and Sino-Singapore Guangzhou Knowledge City Investment and Development Co Ltd. He is a senior adviser of the Salim Group, ZANA Capital and Singbridge Corporate Pte Ltd, a trustee of Bankinter Board of Innovation (Spain) and a Principal Member of Green Finance Corporation. Dr Tan had 33 years of service in the Singapore Civil Service holding various key appointments before completing his term as a Permanent Secretary at the end of 2007. Dr Tan has held leadership roles in various Singapore government ministries and statutory boards such as the Ministry of Defence, National Computer Board, Economic Development Board, Singapore Tourism Board, Ministry of Manpower, National Library Board and Ministry of Information, Communications and the Arts.

Mr Axton Salim

Non-Executive Director

Mr Axton Salim is currently a Director of PT Indofood Sukses Makmur Tbk. He is also a Director of PT Indofood CBP Sukses Makmur Tbk, where he heads the Dairy Division. His other positions include Commissioner of PT Salim Ivomas Pratama Tbk, PT London Sumatra Indonesia Tbk and PT Nestlé Indofood Citarasa Indonesia, Vice President Director of PT Indolakto, Director of Pacsari Pte. Ltd. and PT Indofood Asahi Sukses Beverage, and President Commissioner of PT Tirta Sukses Perkasa. He holds a Bachelor of Science in Business Administration from the University of Colorado, United States.

Mr Foo Ko Hing

Independent Director

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

Mr Rivaie Rachman

Independent Director

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

Key Executives

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

Mr Eugene Cho Park

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

Mr Gianto Gunara

Mr Gunara is currently Director of Business Operations at Bintan Resorts International Pte Ltd and Vice-President of PT Batamindo Executive Village. He also holds directorships in various companies including Nirwana Pte Ltd, PT Bintan Resort Cakrawala, Bintan Resorts Ferries Pte Ltd, PT Ria Bintan, PT Straits CM Village, PT Bintan Inti Industrial Estate, Verizon Resorts Limited, BU Holdings Pte Ltd, Lagoi Dreams Limited, PT Taman Indah, Batamindo Investment (S) Pte Ltd and Bintan Power Pte. Ltd. Mr Gunara is also a non-executive director of QAF Limited. Mr Gunara has more than 25 years of industry experience having worked with Haagtechno BV — Den Bosch in Holland, Hagemeyer NV, PT Indomarco Nusatrada, Indomarco International and Kangaroo Industries in Los Angeles as well as PT Indoleather Swakarsa.

Mr Jusak Kertowidjojo

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

Mr Choo Kok Kiong

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

Board Committees

The Board has formed Board Committees, namely, the Audit Committee, the Nominating Committee and the Remuneration Committee, to assist the Board in carrying out and discharging its duties and responsibilities efficiently and effectively. These Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each Board Committee is also constantly reviewed by the Board.

Audit Committee

The Audit Committee comprises Lim Hock San, Foo Ko Hing and Rivaie Rachman. The Chairman of the Audit Committee is Lim Hock San. The Audit Committee meets periodically to perform the following functions:

(i) review the audit plans of the Company's external auditors and the external auditors' reports;

(ii) review the internal controls and procedures (including the adequacy of the finance functions and the quality of finance staff) and co-operation given by the Company's management to the external auditors and discuss with a view to resolving problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Company's management where necessary);

(iii) consider the appointment or re-appointment of the Company's external auditors;

(iv) review the financial statements of the Company and the Group before their submission to the Board for approval;

(v) review interested person transactions (if any);

(vi) undertake such other reviews as may be requested by the Board, and will report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee; and

(vii) generally undertake such other functions and duties as may be required by statute, regulations or the SGX-ST Listing Manual, or by such amendments as may be made thereto from time to time.

Nominating Committee

The Nominating Committee comprises Rivaie Rachman, Lim Hock San and Foo Ko Hing. The chairman of the Nominating Committee is Rivaie Rachman. The Nominating Committee is responsible for the following:

(i) re-nomination of the Directors, having regard to each Director' s contribution and performance;

(ii) determining annually whether or not a Director is independent; and

(iii) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director.

The Nominating Committee decides how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long-term shareholders' value. The Board has also implemented a process to be carried out by the Nominating Committee for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual Director to the effectiveness of the Board. Each member of the Nominating Committee will abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as director.

Remuneration Committee

The Remuneration Committee comprises Lim Hock San, Foo Ko Hing and Rivaie Rachman. The chairman of the Remuneration Committee is Lim Hock San. The Remuneration Committee recommends to the Board a framework of remuneration for the Directors and key executives, and determines specific remuneration packages for each Executive Director. The recommendations of the Remuneration Committee will be submitted for endorsement by the Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind is covered by the Remuneration Committee. Each member of the Remuneration Committee will abstain from voting on any resolutions in respect of his remuneration package.

DESCRIPTION OF MATERIAL INDEBTEDNESS

The following is a summary of certain terms of the Group's current material indebtedness to banks which exceed U.S.$100 million. This summary does not purport to be complete. Please refer to the Group's and the IMAS Group's financial statements and the notes thereto including those appearing elsewhere in this Offering Circular for additional information with respect to such indebtedness.

Credit Facility with CIMB Bank Berhad, Singapore Branch, DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, The Royal Bank of Scotland Plc and Standard Chartered Bank (collectively, the "Banks")

Loans to the Company

On 20 December 2013, the Company obtained a credit facility from the Banks, pursuant to which the Banks extended to the Company (a) a term loan facility of up to U.S.$246,000,000 ("**Facility A**") and (b) a term loan facility denominated in Singapore Dollars of up to U.S.$164,000,000 ("**Facility B**"). The purpose of the loans is to refinance in full its existing loan that was taken out to finance the IMAS Acquisition. The maturity date for both facilities is 20 December 2016. As at 30 September 2014, the amount outstanding under Facility A and Facility B were U.S.$98,400,000 and S$84,686,921.34, respectively.

In connection with these facilities, the Company agreed to pledge to the Banks 1,976,765,774 of its shares in IMAS. The Company is also subjected to certain security covenants including, among other things, to (i) maintain a security coverage ratio of 2.50 times at all times and (ii) ensure that the ratio of consolidated net borrowings to consolidated EBITDA (earnings before interest, tax, depreciation and amortisation) does not exceed 6.00 to 1.00.

Credit Facility with PT Bank CIMB Niaga Tbk ("CIMB Niaga")

Loans to PT Batamindo Investment Cakrawala ("BIC")

On 14 February 2012, BIC obtained a credit facility from CIMB Niaga, which was amended on 12 March 2012, pursuant to which CIMB Niaga extended to BIC (a) a term loan facility denominated in U.S. Dollar of U.S.$50,000,000 ("**Tranche A**") and (b) a term loan facility denominated in Indonesian Rupiah of up to U.S.$150,000,000 ("**Tranche B**"). The purpose of the loans is for general corporate purposes. The maturity date for both Tranche A and Tranche B is 14 February 2018. As at 30 September 2014, the amounts outstanding under Tranche A and Tranche B were U.S.$38,125,000 and Rp1,037,285,937,500, respectively.

On 20 March 2012, BIC entered into a cross currency interest rate swap contract with CIMB Niaga to hedge its interest rate risks and exchange rate risk for the Rupiah denominated loan arising under Tranche B.

Under this facility, BIC and the Company (as guarantor) are obliged to, among other things, ensure that (i) the ratio of BIC debt to BIC equity shall not at any time exceed 1:1, (ii) the ratio of BIC net debt to BIC EBITDA shall not exceed 3.5:1, (iii) the ratio of BIC net debt to BIC EBITDA for each relevant period shall not exceed 2.5:1, (iv) the equity of BIC is at least Rp2,690,000,000,000 at all times, (v) the debt service cover ratio for BIC for each relevant period shall not be less than 1:1, (vi) the ratio of the Company's debt to the Company's equity shall not at any time exceed 0.5:1 and (vii) the ratio of the Company's net debt to the Company's EBITDA shall not exceed 4:1.

Credit Facility with PT Bank Negara Indonesia (Persero) Tbk ("BNI")

Working Capital facility to PT Wahana Wirawan ("WW")

On 20 December 2012, WW signed a working capital loan agreement with BNI with maximum facility amounting to Rp2,000,000,000,000. The facility will mature on 19 December 2015. As at 30 September 2014, the amount outstanding under this facility was Rp1,300,000,000,000.

Credit Facility with PT Bank Rakyat Indonesia (Persero) Tbk ("BRI")

Loans to CSMC

CSMC had, on 22 June 2013 and 22 July 2014, obtained two investment credit facilities from BRI for a total maximum facility amounting to Rp500,000,000,000 each. The purpose of such facilities was to finance the purchase of motor vehicles for its vehicle rental services. The facilities will mature on 22 June 2017 and 22 July 2018, respectively. As at 30 September 2014, the amount outstanding was Rp556,170,769,626.

On 13 February 2013, CSMC further obtained working capital facility from BRI for a maximum amount of Rp15,000,000,000. This facility will mature on 13 February 2015.

Credit Facilities with PT Bank DBS Indonesia ("DBS Indonesia")

Credit facilities to IMAS, PT Wahana Inti Selaras, PT Wangsa Indra Permana, PT Garuda Mataram Motor, PT National Assemblers, PT Indobuana Autoraya, PT Indomobil Prima Niaga, IMGSL, PT Multicentral Aryaguna and PT Auto Euro Indonesia, WW, PT Wahana Indo Trada, PT Prima Sarana Mustika (collectively, the "Joint Borrowers")

On 16 October 2013, the Joint Borrowers obtained from DBS Indonesia (a) an uncommitted revolving credit facility of up to a maximum amount of Rp600,000,000,000 and (b) an uncommitted omnibus facility of up to a maximum amount of U.S.$65,000,000 to finance the purchase of automotive spare parts and/or vehicles which will be sold through the IMAS Group. Both facilities will mature on 9 February 2015.

On 20 December 2013, IMAS, IMGSL, PT Indomobil Prima Niaga, WW and PT Wahana Inti Selaras obtained from DBS Indonesia a committed revolving credit facility of up to a maximum amount of Rp800,000,000,000 to finance the respective companies' capital expenditures.

The committed revolving credit facility will mature on 20 December 2016. As at 30 September 2014, the outstanding amounts for the uncommitted revolving credit facility, committed revolving credit facility and uncommitted omnibus facility were Rp590,750,000,000, Rp416,000,000,000 and U.S.$20,719,260, respectively.

Amortising term loan facility and uncommitted revolving credit facility to PT Prima Sarana Gemilang

On 30 September 2014, PT Prima Sarana Gemilang obtained several facilities from DBS Indonesia, including (a) amortising term loan facility II of up to U.S.$6,700,000 which will mature on 16 May 2016, (b) amortising term loan facility III of up to U.S.$15,000,000 which will mature on 20 June 2017, (c) uncommitted revolving credit facility of up to Rp20,000,000,000 and (d) uncommitted revolving credit facility of up to U.S.$20,000,000. Both facilities under (c) and (d) will mature on 9 February 2015. As at 30 September 2014, the amounts outstanding under (a) and (b) were U.S.$17,400,000, and the amount outstanding under (c) was Rp20,000,000,000.

Uncommitted omnibus facility and amortising term loan facility to PT Indotruck Utama ("ITU") and PT Indotraktor Utama ("INTRAMA")

On 5 September 2014, ITU and INTRAMA obtained several facilities from DBS Indonesia, including (a) uncommitted omnibus facility of up to U.S.$36,000,000 which will mature on 9 February 2015, and (b) amortising term loan facility of up to Rp22,000,000,000 which will mature on 12 April 2018. As at 30 September 2014, the amounts outstanding under (a) and (b) were U.S.$25,100,000 and Rp18,683,226,849, respectively.

Uncommitted revolving credit facility to CSMC

On 31 July 2013, CSMC obtained uncommitted revolving credit facility from DBS Indonesia for the amount up to Rp250,000,000,000. This facility will mature on 9 September 2015. As at 30 September 2014, the outstanding amount was Rp210,979,522,194.

On 23 June 2014, CSMC further obtained committed revolving credit facility from DBS Indonesia for the amount of up to Rp450,000,000,000. As at 30 September 2014, the outstanding amount was Rp75,600,000,000. This facility will mature on 23 June 2018.

Uncommitted revolving credit facility to WW

On 9 September 2013, WW obtained uncommitted revolving credit facility from DBS Indonesia for the amount of up to Rp300,000,000,000. This facility will mature on 9 September 2015. As at 30 September 2014, the outstanding amount was Rp100,000,000,000.

Credit Facility with DBS Bank Ltd.

Term loan to WW

On 29 April 2013, WW obtained a term loan from DBS Bank Ltd. for the amount of up to U.S.$53,000,000. The maturity date for this facility is 29 April 2018. As at 30 September 2014, the outstanding amount was U.S.$51,675,000.

In order to hedge its interest rate risk and exchange rate risk for the U.S. Dollar denominated loan, WW entered into a cross currency swap facility for up to the amount of U.S.$22,000,000 on 10 July 2013. The remaining amount of U.S.$31,000,000 was not hedged.

Credit Facility with PT Bank UOB Indonesia ("UOB Indonesia")

Facilities to ITU

On 28 November 2013, ITU obtained three facilities from UOB Indonesia. These facilities are Facility A (Trade Facilities), Facility B (Revolving Credit Facility) and Facility C (Overdraft) for the amount of up to U.S.$55,000,000, U.S.$7,000,000 and Rp30,000,000,000, respectively. Facility A is due on 30 April 2015. As at 30 September 2014, the amounts outstanding under Facility A, Facility B and Facility C were U.S.$19,520,000, U.S.$7,000,000 and Rp29,710,000,000, respectively.

Facilities to PT EKA Dharma Jaya Sakti

On 9 July 2013, PT Eka Dharma Jaya Sakti obtained three facilities from UOB Indonesia. These facilities were Facility A (Trade facilities), Facility B (Revolving Credit Facility) and Facility C (Term Loan) for the amount of up to U.S.$55,000,000, Rp50,000,000,000 and Rp50,000,000,000, respectively. Facilities A and B are due on 31 January 2015 while Facility C is due on 20 January 2016. As at 30 September 2014, the amounts outstanding under Facility A, Facility B and Facility C were U.S.$18,750,974.43, Rp20,000,000,000 and Rp15,000,000,000, respectively.

TAXATION

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority of Singapore (the "**IRAS**") and the MAS in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Guarantor, the Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Notes as "debt securities" for the purposes of the ITA and that interest payments made under each tranche of the Perpetual Notes will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the Qualifying Debt Securities Scheme are satisfied.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 20.0 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole is arranged by DBS Bank Ltd., which is a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), any tranche of the Notes (the "**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2018 would be, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" (the "**MAS Circular**") issued by MAS on 28 June 2013, qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed), Qualifying Income from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

    (A) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

    (B) the furnishing to the MAS and such other relevant authorities as may be prescribed a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require,

    payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(i) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(ii) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:

    (A) any related party of the Issuer; or

    (B) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

    shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "related party", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

"**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

"**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (the "**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the submission of a return on debt securities in respect of the QDS in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the QDS as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

(a) are issued during the period from 16 February 2008 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Notes derived by:

(A) any related party of the Issuer; or

(B) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

The MAS Circular states that, with effect from 28 June 2013, the QDS Plus Scheme will be refined to allow QDS with certain standard early termination clauses (as prescribed in the MAS Circular) to qualify for the QDS Plus Scheme at the point of issuance of such debt securities. The MAS has also clarified that if such debt securities are subsequently redeemed prematurely pursuant to such standard early termination clauses before the 10th year from the date of issuance of such debt securities, the tax exemption granted under the QDS Plus Scheme to Qualifying Income accrued prior to such redemption will not be clawed back. Under such circumstances, the QDS Plus status of such debt securities will be revoked prospectively for such outstanding debt securities (if any), and holders thereof may still enjoy the tax benefits under the QDS Scheme if the QDS conditions continue to be met.

The MAS has stated that, notwithstanding the above, QDS with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the pricing of such debt securities at the onset) which can be exercised within ten years from the date of issuance of such debt securities will continue to be excluded from the QDS Plus Scheme from such date of issuance.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard 39 — Financial Instruments: Recognition and Measurement ("**SFRS 39**"), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with SFRS 39. Please see the section below on "*Adoption of SFRS 39 Treatment for Singapore Income Tax Purposes*".

Adoption of SFRS 39 Treatment for Singapore Income Tax Purposes

The IRAS has issued a circular entitled "Income Tax Implications Arising from the Adoption of SFRS 39-Financial Instruments: Recognition and Measurement" (the "**SFRS 39 Circular**"). The ITA has since been amended to give effect to the SFRS 39 Circular.

The SFRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with SFRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the SFRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

EU Directive on the Taxation of Savings Income

The Savings Directive requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other EU Member State, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise. The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

The proposed financial transactions tax ("FTT")

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

EXCHANGE RATES

The table below sets forth the high and low exchange rates between the Indonesian Rupiah and the Singapore Dollar for each month for the six calendar months prior to the date of this Offering Circular. The table indicates the amount of Indonesian Rupiah required to purchase one Singapore Dollar.

	Rp/S$ Exchange Rate	
	High	**Low**
July 2014	9,561	9,282
August 2014	9,445	9,339
September 2014	9,565	9,335
October 2014	9,626	9,424
November 2014	9,453	9,324
December 2014	9,729	9,342

As at 15 January 2015, the exchange rate between the Indonesian Rupiah and the Singapore Dollar was Rp9,435 to S$1.00.

The following table sets forth, for each of the financial periods indicated, the average and closing exchange rates between the Indonesian Rupiah and the Singapore Dollar. The table indicates the amount of Indonesian Rupiah required to purchase one Singapore Dollar.

	Rp/S$exchange rate	
	Average Rate	**Closing Rate**
FY2010	6,668	6,981
FY2011	6,977	6,974
FY2012	7,509	7,907
FY2013	8,348	9,622
FY2014	9,364	9,376

The above exchange rates have been presented solely for information purposes and should not be construed as representations that such Indonesian Rupiah amounts actually represent such Singapore Dollar amounts or could have been or could be converted into Singapore Dollar(s) at the rate indicated above, at any other rate, or at all, and vice versa.

The above exchange rates have been extracted from published information by Bank Sentral Republik Indonesia.

CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg or CDP (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Arranger, any Dealer, the Trustee or any of the Agents takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Arranger, any Dealer, the Trustee, any of the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

The Clearing Systems

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant paying agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Beneficial ownership in Notes will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream, Luxembourg.

The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream, Luxembourg will be reflected in the book-entry accounts of each such institution. Euroclear and Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interest in the Notes. The Paying Agent will be responsible for ensuring that payments received by it from the Issuer for holders of interests in the Notes holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear or Clearstream, Luxembourg, as the case may be.

The Issuer will not impose any fees in respect of the Notes, however, holders of book entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream, Luxembourg.

CDP

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (the "**CDP System**") maintained by CDP. Notes that are to be listed on SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a global note or global certificate for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the CDP System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the Companies Act, Chapter 50 of Singapore to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the CDP System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the CDP System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Arranger, any Dealer, the Trustee, any of the Agents or any other person (other than CDP) will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Book-Entry Ownership

Bearer Notes

The Issuer may make applications to Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuer may also apply to have Bearer Notes accepted for clearance through CDP. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note in bearer form without coupons may be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg or CDP or an Alternative Clearing System as agreed between the Issuer and the relevant Dealer. Transfers of interests in such temporary Global Notes or permanent Global Notes will be made in accordance with the normal Euromarket debt securities operating procedures of CDP, Euroclear and Clearstream, Luxembourg or, if appropriate, the Alternative Clearing System.

Registered Notes

The Issuer may make applications to CDP, Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. Each Global Certificate deposited with a common depositary for, and registered in the name of, a nominee of Euroclear and/or Clearstream, Luxembourg and/or with CDP will, where applicable, have an ISIN and/or a Common Code.

All Registered Notes will initially be in the form of a Global Certificate. Definitive Certificates will only be available, in the case of Notes initially represented by a Global Certificate, in amounts specified in the relevant Pricing Supplement.

Transfers of Registered Notes

Transfers of interests in Global Certificates within CDP, Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant Clearing System.

In the case of Registered Notes to be cleared through CDP, Euroclear or Clearstream, Luxembourg, transfers may be made at any time by a holder of an interest in a Global Certificate in accordance with the relevant rules and regulations of the applicable Clearing Systems.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 15 November 2013 (the "**Dealer Agreement**") between the Issuer, the Arranger and the Dealers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as its agents. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment, and any future update, of the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Approval in-principle has been obtained from the SGX-ST for the establishment of the Programme and application will be made for permission to deal in and quotation for any Notes which are agreed at the time of issue to be so listed and quoted on the SGX-ST. Approval in-principle from, admission of the Notes to the Official List of, and listing and quotation of any Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Group, the Programme or such Notes. In connection with the offer and sale of each Series of Notes, the relevant Pricing Supplement will indicate whether or not and, if so, on which stock exchange(s) the Notes will be listed. No assurances can be given that the Programme will qualify for listing on a stock exchange. In addition, no assurances can be given that if the Programme qualifies for listing on a stock exchange and the relevant Pricing Supplement indicates that such Series of Notes will be listed on a stock exchange, that such Notes will trade from their date of issuance until maturity (or early redemption) and that such listing will be maintained.

Selling Restrictions

United States of America

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may not be offered or sold within the United States, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver Notes.

The Notes are being offered and sold outside the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular to any person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any person within the United States, is prohibited

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(i) if the relevant Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the relevant Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and

Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell the Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased in reliance of an exemption under Sections 274 or 275 of the SFA, the Notes shall not be sold within the period of six months from the date of the initial acquisition of the Notes, except to any of the following persons:

(i) an institutional investor (as defined in Section 4A of the SFA);

(ii) a relevant person (as defined in Section 275(2) of the SFA); or

(iii) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor (as defined in Section 4A of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Sections 275(1 A) or 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 32 of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Dealers has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Pricing Supplement dated [●]

GALLANT VENTURE LTD.
Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
under the U.S.$500,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "Conditions") set forth in the Offering Circular dated 15 November 2013 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "Conditions") set forth in the Offering Circular dated [●]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

[The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "ITA"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

1	Issuer:		Gallant Venture Ltd.
2	[(i)]	Series Number:	[●]
	[(ii)	Tranche Number: (*If fungible with an existing Series, details of that Series, including the date on which the Notes became fungible.*)]	[●]
3	Specified Currency or Currencies:		[●]
4	Aggregate Principal Amount:		
	[(i)]	Series:	[●]
	[(ii)	Tranche:	[●]]
5	(i)	Issue Price:	[●] per cent. of the Aggregate Principal Amount [plus accrued interest from [*insert date*] *(in the case of fungible issues only, if applicable)*]
	(ii)	Net Proceeds:	[●]
6	(i)	Specified Denominations:	[●]
	(ii)	Calculation Amount:	[●]

7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[*Specify*/Issue date/Not Applicable]
8	Maturity Date:	[*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*][1]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[*specify reference rate*] +/- [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (*specify*)] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency][Partly Paid] [Instalment] [Other *(specify)*]
11	Change of Interest or Redemption/Payment Basis:	[*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13	Status of the Notes:	Senior
14	Listing and admission to trading:	[[●] (*specify*)/None]
15	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii) Interest Payment Date(s):	[●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Center(s) for the definition of "Relevant Business Day"]/[not adjusted*]
	(iii) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount[2]
	(iv) Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v) Day Count Fraction:	[30/360/Actual/Actual(ICMA/ISDA)/other]
	(vi) [Determination Dates:	[●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. NB. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]

1 Note that Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second Option.

2 For Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest HK$0.01, HK$0.005 for the case of Hong Kong Dollar denominated Fixed Rate Notes, being rounded upwards".

17	Floating Rate Note Provisions		[Applicable/Not Applicable]
			(If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i)	Interest Period(s):	[●]
	(ii)	Specified Interest Payment Dates:	[●]
	(iii)	Interest Period Date:	[●]
			(Not applicable unless different from Interest Payment Date)
	(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
	(v)	Business Centre(s):	[●]
	(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other *(give details)*]
	(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]):	[●]
	(viii)	Screen Rate Determination:	
		— Reference Rate:	[●]
			(Either LIBOR, EURIBOR or SIBOR or other, although additional information is required if other)
		— Interest Determination Date(s):	[●]
			(*the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, Euro or Hong Kong Dollars or first day of each Interest Accrual Period if the Specified Currency is Sterling or Hong Kong Dollars or the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro*)
		— Relevant Screen Page:	*[(In the case of EURIBOR, if not Reuters Page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*]
	(ix)	ISDA Determination:	
		— Floating Rate Option:	[●]
		— Designated Maturity:	[●]
		— Reset Date:	[●]
		— ISDA Definitions:	2006 (if different to those set out in the Conditions, please specify)
	(x)	Margin(s):	[+/-][●] per cent. per annum
	(xi)	Minimum Rate of Interest:	[●] per cent. per annum
	(xii)	Maximum Rate of Interest:	[●] per cent. per annum
	(xiii)	Day Count Fraction:	[●]

	(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
18	Zero Coupon Note Provisions		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Amortisation Yield:	[●] per cent. per annum
	(ii)	Any other formula/basis of determining amount payable:	[●]
19	Index Linked Interest Note Provisions		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Index/Formula:	*[give or annex details]*
	(ii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]):	[●]
	(iii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	[●]
	(iv)	Interest Period(s):	[●]
	(v)	Specified Interest Payment Dates:	[●]
	(vi)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
	(vii)	Business Centre(s):	[●]
	(viii)	Minimum Rate of Interest:	[●] per cent. per annum
	(ix)	Maximum Rate of Interest:	[●] per cent. per annum
	(x)	Day Count Fraction:	[●]
20	Dual Currency Note Provisions		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate of Exchange/method of calculating Rate of Exchange:	[*give details*]
	(ii)	Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	[●]
	(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
	(iv)	Person at whose Option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

21	Call Option		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[●] per Calculation Amount
		(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv)	Notice period:	[●]
22	Investor Put Option		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation amount
	(iii)	Notice period:	[●]
23	Final Redemption Amount of each Note		[●] per Calculation Amount
24	Early Redemption Amount		
	(i)	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	[Bearer Notes/Registered Notes] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] (*For this Option to be available, such Notes shall only be issued in denominations that are equal to, or greater than, EUR100,000 (or its equivalent in other currencies) and integral multiples thereof*) [Permanent Global Note/Global Certificate exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note/ Global Certificate] [Definitive Notes]

26	Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 16(ii), 17(v) and 19(vii) relate]
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. If yes, *give details*]
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details*]
29	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/*give details*]
30	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions [annexed to this Pricing Supplement] apply]
31	Consolidation provisions:	[Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
32	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

33	(i) If syndicated, names of Managers:	[Not Applicable/*give name*]
	(ii) Stabilising Manager (if any):	[Not Applicable/*give name*]
34	If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
35	U.S. selling restrictions:	[Reg. S Category 1; TEFRA D/TEFRA C/TEFRA Not Applicable] The Notes are being offered and sold only in accordance with Regulation S.
36	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

37	ISIN Code:	[●]
38	Common Code:	[●]
39	Any clearing system(s) other than Euroclear, Clearstream, Luxembourg or CDP and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
40	Delivery:	Delivery [against/free of] payment
41	Additional Paying Agent(s) (if any):	[●]

GENERAL

42	The aggregate principal amount of Notes in the Specified Currency issued has been translated into U.S. Dollars at the rate specified, producing a sum of:	[Not applicable/Exchange rate of Specified Currency: U.S. Dollar/U.S. Dollar equivalent: [●]]
43	In the case of Registered Notes, specify the location of the office of the Registrar if other than Luxembourg/Singapore:	[●]
44	In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London or Singapore:	[●]

45	Ratings:	[●]
46	Governing Law:	English law

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Notes described herein pursuant to the U.S.$500,000,000 Euro Medium Term Note Programme.

[STABILISATION

In connection with this issue, [insert name of Stabilising Manager] (the "**Stabilising Manager**") (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

GENERAL INFORMATION

(1) Approval in-principle has been obtained from the SGX-ST for the establishment of the Programme and application will be made to the SGX-ST for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed and quoted on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that an application to the Official List of the SGX-ST for the listing of the Notes will be approved. Approval in-principle from, admission to the Official List of, and listing and quotation of any Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular.

(2) The Issuer has obtained all necessary consents, approvals and authorisations in Singapore in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 1 November 2013.

(3) Except as disclosed in this Offering Circular, none of the Issuer or any member of the Group are involved in any material litigation or arbitration proceedings that would have, or have had during the 12 months preceding the date of this Offering Circular, a material adverse effect on the Group's financial condition, results of operations, or properties, taken as a whole or a material adverse effect on the prospects of the Group taken as a whole which would reasonably be expected to have a material adverse effect on the financial condition or results of operations of the Group taken as a whole, nor is the Issuer aware that any such proceedings are pending or threatened.

(4) Except as disclosed in this Offering Circular, there has been no material adverse change in the financial condition or results of operations of the Issuer and/or the Group taken as a whole since 31 December 2013 and there has been no material adverse change in the prospects of the Group taken as a whole which would reasonably be expected to have a material adverse effect on the financial condition or results of operations of the Group taken as a whole since 31 December 2013.

(5) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

(6) Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg Systems (which are the entities in charge of keeping the records) and CDP. The relevant ISIN, the Common Code and (where applicable) the identification number for any other relevant Clearing System for each series of Notes will be specified in the relevant Pricing Supplement. If the Notes are to clear through an additional or alternative Clearing System the appropriate information will be set out in the relevant Pricing Supplement.

The address of CDP is 11 North Buona Vista Drive, #06-07, The Metropolis Tower 2, Singapore 138589. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-l 855 Luxembourg.

(7) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Pricing Supplement of each Tranche, based on the prevailing market conditions.

(8) For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the Issuing and Paying Agent's specified office:

(i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons) and the Agency Agreement;

(ii) the Memorandum and Articles of Association of the Issuer;

(iii) each Pricing Supplement (save that Pricing Supplement relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity);

(iv) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular and any documents incorporated by reference in the Offering Circular or such Supplement or further Offering Circular; and

(v) copies of the Issuer's most recently published audited consolidated annual financial statements and any interim financial statements (whether audited or not) published subsequently to such annual financial statements.

(9) Foo Kon Tan Grant Thornton LLP has audited, and rendered unqualified audit reports on, the consolidated financial statements of the Issuer for the two years ended 31 December 2012 and 31 December 2013. Foo Kon Tan Grant Thornton LLP has given and has not withdrawn its written consent to the issue of this Offering Circular for the inclusion herein of (i) its name; (ii) the independent auditor's report on the consolidated financial statements of the Issuer for the year ended 31 December 2012 and (iii) the independent auditor's report on the consolidated financial statements of the Issuer for the year ended 31 December 2013, in the form and context in which they appear in this Offering Circular, and reference to its names and such reports in the form and context which they appear in this Offering Circular.

INDEX TO FINANCIAL STATEMENTS

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Third Quarter 2014 Financial Statements and Dividend Announcement

UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 September 2014.

1(a)(i). An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP					
	3Q 2014 S$'000	**3Q 2013 S$'000**	**Incr/ (Decr) %**	**YTD Sep 2014 S$'000**	**YTD Sep 2013 S$'000**	**Incr/ (Decr) %**
Revenue	**591,021**	677,268	(13)	**1,671,475**	1,277,923	31
Cost of sales	**(496,057)**	(591,766)	(16)	**(1,425,227)**	(1,117,674)	28
Gross profit	**94,964**	85,502	11	**246,248**	160,249	54
General and administrative expenses	**(34,440)**	(33,578)	3	**(97,673)**	(60,369)	62
Other operating expenses	**(39,701)**	(45,849)	(13)	**(113,313)**	(80,787)	40
Other income net of other expenses	**11,864**	29,339	(60)	**43,887**	50,579	(13)
Interest income	**7,062**	6,544	8	**20,659**	18,900	9
Finance costs	**(30,095)**	(26,745)	13	**(92,986)**	(46,448)	100
Exchange gain / (loss)	**8**	(3,946)	N.M	**4,939**	(5,839)	N.M
Share of associated company's result	**(16,284)**	2,803	N.M	**(22,997)**	6,630	N.M
(Loss) / profit before tax	**(6,622)**	14,070	N.M	**(11,236)**	42,915	N.M
Taxation	**(4,441)**	(7,505)	(41)	**(13,369)**	(17,397)	(23)
(Loss) / profit after tax for the period	**(11,063)**	6,565	N.M	**(24,605)**	25,518	N.M
(Loss) / profit attributable to:						
Equity holders of the Company	**(4,648)**	1,806	N.M	**(19,677)**	7,024	N.M
Non-controlling interest	**(6,415)**	4,759	N.M	**(4,928)**	18,494	N.M
	(11,063)	6,565	N.M	**(24,605)**	25,518	N.M

1(a)(ii). A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP					
	3Q 2014 S$'000	**3Q 2013 S$'000**	**Incr/ (Decr) %**	**YTD Sep 2014 S$'000**	**YTD Sep 2013 S$'000**	**Incr/ (Decr) %**
(Loss) / profit after tax for the period	**(11,063)**	6,565	N.M	**(24,605)**	25,518	N.M
Other comprehensive (expenses)/income: Items that are/may be reclassified subsequently to profit or loss						
Net changes in available-for sales investment	**3,649**	(9,169)	N.M	**(11,164)**	(13,620)	(18)
Net changes in derivative instrument – net of tax	**1,744**	6,661	(74)	**(1,212)**	5,113	N.M
Foreign currency translation	**2,914**	(88,730)	N.M	**4,070**	(82,712)	N.M
Other comprehensive (expenses)/income	**8,307**	(91,238)	N.M	**(8,306)**	(91,219)	(91)
Total comprehensive (expenses)/income	**(2,756)**	(84,673)	(97)	**(32,911)**	(65,701)	(50)
Total comprehensive (expenses)/income attributable to:						
Equity holders of the Company	**707**	(53,050)	N.M	**(25,881)**	(48,151)	(46)
Non-controlling interest	**(3,463)**	(31,623)	(89)	**(7,030)**	(17,550)	(60)
	(2,756)	(84,673)	(97)	**(32,911)**	(65,701)	(50)

N.M. denotes "Not Meaningful"

The exchange rate of S$1=IDR9,585 (31 December 2013: S$1=IDR9,628) was used for translating IMAS's assets and liabilities at the balance sheet date and S$1=IDR9,320 (30 September 2013: S$1=IDR8,031) was used for translating the results for the period.

1(a)(iii). Profit before taxation is arrived at after charging/(crediting) the following significant items.

	Group			
	3Q 2014 S$'000	**3Q 2013 S$'000**	**YTD Sep 2014 S$'000**	**YTD Sep 2013 S$'000**
Amortisation of intangible assets	**12**	14	**97**	41
Depreciation of property, plant and equipment	**109,621**	18,086	**193,643**	32,598
Depreciation of investment properties	**5,635**	11,246	**16,921**	16,858
Gain on sale of property, plant and equipment	**(29)**	(18,607)	**(10,383)**	(30,326)
Allowance for impairment loss on trade receivables	**5,587**	-	**13,279**	-

1(b)(i). ***A Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.***

	Group		Company	
	30.09.14	31.12.13	**30.09.14**	31.12.13
	S$'000	S$'000	**S$'000**	S$'000
Non-current assets				
Intangible assets	**1,269,066**	1,269,162	**294**	379
Property, plant and equipment	**628,607**	603,671	**65**	48
Investment properties	**170,215**	186,491	**-**	-
Financing receivable	**340,548**	346,477	**-**	-
Subsidiaries	**-**	-	**2,557,260**	2,557,260
Associated companies	**178,725**	193,436	**-**	-
Deferred tax assets	**40,991**	34,780	**1,344**	1,344
Loan receivables	**47,500**	47,500	**-**	-
Notes receivables	**260,713**	260,683	**6,373**	6,343
Other non-current assets	**258,859**	297,843	**3,241**	2,797
	3,195,224	3,240,043	**2,568,577**	2,568,171
Current assets				
Land inventories	**609,470**	597,092	**-**	-
Other inventories	**405,967**	478,534	**-**	-
Financing receivables	**388,475**	306,259	**-**	-
Trade and other receivables	**535,188**	426,871	**129,656**	121,295
Cash and bank balances	**179,002**	168,363	**6,460**	3,062
	2,118,102	1,977,119	**136,116**	124,357
Total assets	**5,313,326**	5,217,162	**2,704,693**	2,692,528
Non-current liabilities				
Deposits from tenants/golf membership	**29,091**	27,819	**90**	90
Employee benefits liabilities	**23,229**	21,647	**-**	-
Deferred tax liabilities	**5,293**	4,575	**-**	-
Other non-current liabilities	**1,838**	52,312	**-**	-
Loans and borrowings	**703,638**	923,783	**200,542**	494,888
Debt securities	**582,553**	342,817	**405,394**	84,124
	1,345,642	1,372,953	**606,026**	579,102
Current liabilities				
Trade and other payables	**414,080**	345,002	**31,071**	18,428
Current tax payable	**29,809**	16,689	**61**	595
Current portion of loans and borrowings	**796,125**	799,744	**136,920**	134,867
Debt securities	**133,806**	57,857	**-**	-
	1,373,820	1,219,292	**168,052**	153,890
Total liabilities	**2,719,462**	2,592,245	**774,078**	732,992
Equity				
Share capital	**1,880,154**	1,880,154	**1,880,154**	1,880,154
Other reserves	**9,366**	16,610	**80,000**	80,000
Retained profits/(accumulated losses)	**85,934**	105,611	**(29,539)**	(618)
Equity attributable to equity holders of the Company	**1,975,454**	2,002,375	**1,930,615**	1,959,536
Non-controlling interest	**618,410**	622,542	**-**	-
Total equity	**2,593,864**	2,624,917	**1,930,615**	1,959,536
Total liabilities and equity	**5,313,326**	5,217,162	**2,704,693**	2,692,528

1(b)(ii). Aggregate amount of the Group's borrowings and debt securities.

		Group	
		30.09.14	31.12.13
		S$'000	S$'000
(i)	Amount payable in one year or less, or on demand		
	Secured	**790,754**	850,579
	Unsecured	**139,177**	7,022
		929,931	857,601
(ii)	Amount repayable after one year		
	Secured	**700,012**	1,180,567
	Unsecured	**586,179**	86,033
		1,286,191	1,266,600
	TOTAL	**2,216,122**	2,124,201

(iii) Details of any collaterals

The Group's borrowing and debt securities are secured with the following:-

1. Mortgage of land titles over Batamindo Industrial Park;
2. Pledge of shares and accounts of PT Batamindo Investment Cakrawala ("PT BIC"); and
3. Assignment of insurance proceeds, receivables and equipment of PT BIC.
4. Pledge of shares of PT Indomobil Sukses Internasional Tbk ("IMAS").
5. PT Indomobil Sukses Internasional Tbk's borrowings and debt securities are secured by mortgage over land, inventories, property, plant and equipment, marketable equities of available-for-sales assets, trade and other receivables, financing receivables and bank accounts of its various subsidiaries in Indonesia.

1(c). ***A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.***

	Group			
	3Q 2014 S$'000	**3Q 2013 S$'000**	**30.09.14 S$'000**	**30.09.13 S$'000**
Cash flows from operating activities				
(Loss)/profit before taxation	**(6,622)**	14,070	**(11,236)**	42,915
Adjustments for:				
Amortisation of intangible assets	**13**	14	**97**	41
Depreciation of property, plant and equipment	**109,621**	10,600	**193,643**	32,598
Depreciation of investment properties	**5,635**	5,629	**16,921**	16,858
Net fair value loss on available for sales assets and derivatives	**7,738**	3,961	**(7,034)**	(2,039)
Currency translation difference	**151,547**	(196,566)	**227,633**	(186,340)
Provision for employee benefits	**286**	679	**(624)**	1,716
Provision for impairment loss on trade receivables	**5,587**	-	**13,279**	-
Gain on sale of property, plant & equipment	**(29)**	(18,607)	**(10,383)**	(30,326)
Share of associated companies' result	**14,344**	(2,808)	**19,175**	(6,630)
Interest expense	**30,095**	26,745	**92,986**	46,448
Interest income	**(7,062)**	(6,544)	**(20,659)**	(18,900)
Cash from operations before changes in working capital	**311,153**	(162,827)	**513,798**	(103,659)
Changes in working capital				
Increase in land inventories	**(1,698)**	(1,739)	**(12,378)**	(14,197)
Decrease in other inventories	**22,723**	54,864	**72,567**	107,990
(Increase)/decrease in operating receivables	**(40,714)**	1,407	**(42,406)**	(44,031)
Decrease/(decrease) in operating payables	**85,316**	(57,052)	**76,412**	29,880
Cash generated from/(used in) operating activities	**376,780**	(165,347)	**607,993**	(24,017)
Income tax paid	**(23,491)**	(15,272)	**(59,646)**	(22,910)
Employee benefits paid	**(427)**	(114)	**(933)**	(282)
Interest paid	**(24,727)**	(18,753)	**(102,605)**	(47,828)
Interest received	**1,859**	1,299	**5,214**	1,752
Deposits (refunded to)/collected from tenants/golf members	**(233)**	(315)	**1,272**	(1,769)
Net cash generated from/(used in) operating activities	**329,761**	(198,502)	**451,295**	(95,054)
Cash flows from investing activities				
Acquisition of intangible assets	**-**	(4)	**-**	(4)
Acquisition of property, plant and equipment	**(273,916)**	(33,424)	**(511,601)**	(65,939)
Acquisition of subsidiaries, net of cash acquired (Note A)	**-**	-	**-**	(919,281)
Acquisition of other assets	**(62,820)**	32,546	**(91,800)**	(13,648)
Dividends from associated companies	**-**	626	**-**	4,364
Proceeds from sale of property, plant and equipment	**19,951**	30,282	**62,564**	46,479
Net cash used in investing activities	**(316,785)**	30,026	**(540,837)**	(948,029)

1(c). ***A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)***

	Group			
	3Q 2014 S$'000	**3Q 2013 S$'000**	**30.09.14 S$'000**	**30.09.13 S$'000**
Subscription of convertible bond	**-**	-	**-**	80,000
Proceeds from other financing activities	**61,979**	45	**398,867**	168,970
Repayment to other financing activities	**(62,159)**	(4,088)	**(85,500)**	(66,593)
Acquisition of non-controlling interest	**-**	(357,829)	**-**	(357,700)
Loan from financial institutions	**3,106**	501,892	**705,398**	741,089
Repayment of bank loan	**(66,499)**	(41,743)	**(916,994)**	(66,886)
Proceeds from issuance of right issue	**-**	-	**-**	675,495
Dividends paid to non-controlling interest	**-**	1,324	**(1,590)**	(3,549)
Net cash generated from financing activities	**(63,573)**	99,601	**100,181**	1,170,826
Net increase in cash and cash equivalents	**(50,597)**	(68,875)	**10,639**	127,743
Cash and cash equivalents at beginning of period	**229,599**	263,387	**168,363**	66,769
Cash and cash equivalents at end of period	**179,002**	194,512	**179,002**	194,512

Note A: Acquisition of subsidiaries

The group acquired subsidiaries during the period and the carrying value of assets and liabilities acquired were as follows:

	Group			
	3Q 2014 S$'000	**3Q 2013 S$'000**	**30.09.14 S$'000**	**30.09.13 S$'000**
Net assets acquired				
Total assets	**-**	**-**	**-**	2,320,844
Total liabilities	**-**	**-**	**-**	(1,580,550)
Non-controlling interest	**-**	**-**	**-**	(68,027)
Total identifiable net assets	**-**	**-**	**-**	672,267
Fair value adjustment	**-**	**-**	**-**	1,215,386
Total revised identifiable net assets	**-**	**-**	**-**	1,887,653
Less : Non-controlling interest at fair value	**-**	**-**	**-**	(899,467)
Consideration transferred for the business	**-**	**-**	**-**	988,186
Effect of the acquisition on cashflow:				
Cash consideration	**-**	**-**	**-**	988,186
Less: Cash balance in subsidiaries acquired	**-**	**-**	**-**	(68,905)
Cash outflow on acquisition	**-**	**-**	**-**	(919,281)

1(d)(i). *A statement (for the issuer and group) showing either (i) all the changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.*

Consolidated statement of changes in equity for the period ended 30 September 2014:

	Share Capital $'000	Capital Reserve $'000	Translation Reserve $'000	Hedging Reserve $'000	Fair Value Reserve $'000	Other Reserves $'000	Retained Earnings $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
Balance as at 1 January 2013, as restated	1,207,642	-	(2,242)	-	-	(2,838)	58,149	1,260,711	23,440	1,284,151
Profit/(Loss) for the period	-	-	-	-	-	-	5,217	5,217	13,736	18,953
Other comprehensive income	-	-	2,727	(650)	(2,397)	-	-	(320)	337	17
Total comprehensive income/ (expense) for the period	-	-	2,727	(650)	(2,397)	-	5,217	4,897	14,073	18,970
Convertible bond - equity component	-	80,000	-	-	-	-	-	80,000	-	80,000
Issue of new shares	675,495	-	-	-	-	-	-	675,495	-	675,495
Premium on share capital	-	-	-	-	-	26	-	26	-	26
Differences arising from changes in equity and effects of transaction with non-controlling interest	-	-	-	-	-	(32)	-	(32)	-	(32)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	962,413	962,413
Dividend paid	-	-	-	-	-	-	-	-	(4,873)	(4,873)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	-	-	-	129	129
Balance as at 30 June 2013	1,883,137	80,000	485	(650)	(2,397)	(2,844)	63,366	2,021,097	995,182	3,016,279
Profit/(Loss) for the period	-	-	-	-	-	-	1,806	1,806	4,759	6,565
Other comprehensive income	-	-	(51,434)	3,649	(7,071)	-	-	(54,856)	(36,382)	(91,238)
Total comprehensive income/ (expense) for the period	-	-	(51,434)	3,649	(7,071)	-	1,806	(53,050)	(31,623)	(84,673)
Premium on share capital	-	-	-	-	-	(12)	-	(12)	-	(12)
Differences arising from changes in equity and effects of transaction with non-controlling interest	-	-	-	-	-	355	-	355	(39)	316
Dividend paid	-	-	-	-	-	-	-	-	1,326	1,326
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	-	-	-	(357,791)	(357,791)
Balance as at 30 September 2013	1,883,137	80,000	(50,949)	2,999	(9,468)	(2,501)	65,172	1,968,390	607,055	2,575,445

1(d)(i). ***A statement (for the issuer and group) showing either (i) all the changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)***

Consolidated statement of changes in equity for the period ended 30 September 2014:

	Share Capital $'000	Capital Reserve $'000	Translation Reserve $'000	Hedging Reserve $'000	Fair Value Reserve $'000	Other Reserves $'000	Retained Earnings $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
Balance as at 1 January 2014	1,880,154	81,711	(72,641)	5,145	(4,267)	6,662	105,611	2,002,375	622,542	2,624,917
Profit/(loss) for the period	-	-	-	-	-	-	(15,029)	(15,029)	1,487	(13,542)
Other comprehensive income/(expenses)	-	-	1,092	(2,113)	(10,537)	-	-	(11,558)	(5,054)	(16,612)
Total comprehensive income/(expenses) for the period	-	-	1,092	(2,113)	(10,537)	-	(15,029)	(26,587)	(3,567)	(30,154)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(1,590)	(1,590)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	(1,040)	-	(1,040)	883	(157)
Balance as at 30 June 2014	1,880,154	81,711	(71,549)	3,032	(14,804)	5,622	90,582	1,974,748	618,268	2,593,016
Profit/(loss) for the period	-	-	-	-	-	-	(4,648)	(4,648)	(6,415)	(11,063)
Other comprehensive income/(expenses)	-	-	1,512	1,246	2,596	-	-	5,354	2,952	8,306
Total comprehensive income/(expenses) for the period	-	-	1,512	1,246	2,596	-	(4,648)	706	(3,463)	(2,757)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	-	-	-	3,605	3,605
Balance as at 30 September 2014	1,880,154	81,711	(70,037)	4,278	(12,208)	5,622	85,934	1,975,454	618,410	2,593,864

1(d)(i). A statement (for the issuer and group) showing either (i) all the changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity of the Company for the period ended 30 September 2014:

	Share Capital S$'000	Capital reserve S$'000	Accumulated losses S$'000	Total S$'000
Balance as at 1 January 2013	1,207,642	-	(14,433)	1,193,209
Convertible bond - equity component	-	80,000	-	80,000
Issue of new shares	675,495	-	-	675,495
Total comprehensive expense for the period	-	-	(4,953)	(4,953)
Balance as at 30 June 2013	1,883,137	80,000	(19,386)	1,943,751
Total comprehensive expense for the period	-	-	17,273	17,273
Balance as at 30 September 2013	1,883,137	80,000	(2,113)	1,961,024
Balance as at 1 January 2014	**1,880,154**	**80,000**	**(618)**	**1,959,536**
Total comprehensive expense for the period	**-**	**-**	**(26,119)**	**(26,119)**
Balance as at 30 June 2014	**1,880,154**	**80,000**	**(26,737)**	**1,933,417**
Total comprehensive expense for the period	**-**	**-**	**(2,802)**	**(2,802)**
Balance as at 30 September 2014	**1,880,154**	**80,000**	**(29,539)**	**1,930,615**

1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issue of equity securities, issue of shares for cash or consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.

<u>Shares to be issued upon exercise of conversion right of convertible bond:-</u>

The details are as follows:

	As at 30 Sep 2014	**As at 30 Sep 2013**
Conversion right of convertible bond	250,000,000	250,000,000

1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 30 September 2014 and 30 September 2013 were 4,824,965,112. The company does not hold any treasury shares as at 30 September 2014 and 30 September 2013.

1(d)(iv). A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

None.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The financial statements have not been audited or reviewed by the auditor.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements as at 31 December 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of, the change.

None.

6. ***Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding year, after deducting any provision for the preference dividends; (a) Based on weighted average number of shares and (b) On a fully diluted basis (detailing any adjustments made to the earnings)***

Loss per ordinary share for the period based on profit attributable to equity holders of the company:

	Group			
	3Q 2014	**3Q 2013**	**YTD Sep 2014**	**YTD Sep 2013**
Net (loss) / income attributable to equity owners of the Company (S$'000)	**(4,648)**	1,806	**(19,677)**	7,024
(i) Based on the weighted average number of ordinary shares on issue (cents)	**(0.10)**	0.037	**(0.41)**	0.187
(ii) On a fully diluted basis (cents) [1]	**(0.10)**	0.036	**(0.41)**	0.180

[1] The conversion right of convertible bond has not been included in the calculation of diluted (loss)/profit per share as these will have an anti-dilutive effect (i.e. resulting in a reduction in loss per share)

7. ***Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.***

	Group		Company	
	30.09.14	**31.12.13**	**30.09.14**	**31.12.13**
Net asset value per ordinary share	**40.94 cents**	41.50 cents	**40.01 cents**	40.61 cents

The net asset value per ordinary share is calculated using the Group's net assets value as at end of each period divided by the share capital of 4,824,965,112 ordinary shares as at 30 September 2014 and 31 December 2013

8. ***A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.***

3rd Quarter 2014 (3Q 2014) vs. 3rd Quarter 2013 (3Q 2013)

Profit & Loss Statement

The Group's 3Q 2014 revenue was S$591.0 million which was 12.7% lower than 3Q 2013's S$677.3 million. IMAS contributed S$524.2 million to the Group's revenue, lower than 3Q 2013's S$633.9 million. Lower revenue in IMAS was mainly due to lower passenger car sales and 15.6% weakening of Singapore/Rupiah exchange rate as compared to 3Q 2013. This was mitigated by the launch of new Datsun Low Cost Car in May 2014 and higher car financing revenue.

In line with lower sales, the Group's cost of sales decreased from S$591.8 million in 3Q 2013 to 3Q 2014's S$496.1 million, which included IMAS' cost of sales of approximately S$457.2 million. With contribution from resorts land sales, the Group registered higher gross profit of S$95.0 million in 3Q 2014 as compared to S$85.5 million in 3Q 2013.

The Group's 3Q 2014 "general and administrative expenses" was S$34.4 million as compared to 3Q 2013's S$33.6 million, which included IMAS's S$30.1 million. Higher expenses were mainly due to increase in manpower, depreciation charges and Nissan dealership related rental expenses. The Group's 3Q 2014 "other operating expenses" was S$39.7 million as compared to 3Q 2013's S$45.8 million, which included IMAS's S$37.8 million. The decrease was mainly due to write back of accruals that were no longer required but was partially offset by higher passenger car marketing and promotion expenses. The Group's 3Q 2014 "finance costs" including IMAS's S$20.7 million was S$30.1 million as compared to 3Q 2013's S$26.7 million. Higher interest expense was due to IMAS acquisition and higher interest rate as compared to corresponding period.

"Other income net of other expenses" of S$11.9 million in 3Q 2014, which included IMAS's S$11.8 million, was lower than 3Q 2013's S$29.3 million. The decrease was mainly due one-time gain in disposal of property, plant and equipment in corresponding period.

The Group's 3Q 2014 "share of associate's result" was S$16.3 million loss as compared to 3Q 2013's S$2.8 million profit and was mainly due to consolidation of share of IMAS associates' results. IMAS' associates have provided additional provisions to incentivize agents in marketing and promoting vehicle sales.

Excluding IMAS's results of S$16.8 million loss and IMAS acquisition related interest cost, the Group registered net profit of S$15.9 million as compared to 3Q 2013's S$4.2 million loss. With the consolidation of IMAS results, the enlarged Group's net loss for the 3Q 2014 was S$4.6 million as compared to 3Q 2013's S$1.8 million net profit.

9 months 2014 (YTD Sep 2014) vs. 9 months 2013 (YTD Sep 2013)

Note: The YTD Sep 2014 results included consolidation of PT Indomobil Sukses Internasional Tbk's ("IMAS") 9 month results. IMAS is an integrated vehicle assembly, distribution, sales and finance company in Indonesia, carrying brands such as Nissan, Volvo, Suzuki, Hino, Audi and Volkswagon. As the corresponding YTD Sep 2013 results only contain the consolidation impact of IMAS's 5 months results from May to Sep 2013 as it was acquired on 2 May 2013, the consolidated results for YTD Sep 2014 were not strictly comparable to the YTD Sep 2013

Profit & Loss Statement

The Group's YTD Sep 2014 revenue was S$1,671.5 million, significantly higher than YTD Sep 2013's S$1,277.9 million. IMAS contributed S$1,517.0 million in YTD Sep 2014 as compared to the YTD Sep 2013's S$1,150.7 million as the Group commenced consolidation of IMAS' results from May 2013. During the period under review, IMAS registered lower revenue due to lower passenger car sales and 16.1% weakening of Singapore/Rupiah exchange rate as compared to YTD Sep 2013. This was mitigated by the launch of new Datsun Low Cost Car in May 2014, higher car financing revenue and recognition of resorts land sales of S$30.1 million.

The Group's cost of sales increased from YTD Sep 2013's S$1,117.7 million to YTD Sep 2014's S$1,425.2 million, which included IMAS' cost of sales of S$1,314.3 million as compared to S$1,006.7 million for the 5 months in YTD Sep 2013. IMAS' gross profit margin increased from approximately 12.5% in YTD Sep 2013 to 13.4% in YTD Sep 2014. Coupled with contribution from resorts land sales, the Group reported higher gross profit of S$246.2 million in YTD Sep 2014 as compared with S$160.2 million in YTD Sep 2013.

The Group's YTD Sep 2014 "general and administrative expenses" was S$97.7 million as compared to YTD Sep 2013's S$60.4 million, which included IMAS's S$87.2 million in YTD Sep 2014 as compared to S$50.6 million in YTD Sep 2013. Higher expenses were mainly due to increase in manpower, depreciation charges and Nissan dealership related rental expenses. The Group's YTD

Sep 2014 “other operating expenses” was S$113.3 million as compared to YTD Sep 2013’s S$80.8 million, which included IMAS’s S$101.2 million in YTD Sep 2014 as compared to S$64.2 million in YTD Sep 2013. Higher expenses were mainly due to higher passenger car marketing and promotion expenses and partially offset by write back of accruals that were no longer required. The Group’s YTD Sep 2014 “finance costs” was S$93.0 million as compared to YTD Sep 2013’s S$46.4 million which included IMAS’s S$57.7 million in YTD Sep 2014 as compared to S$27.3 million in YTD Sep 2013. The increase in finance cost was mainly due to IMAS acquisition and higher interest rate as compared to corresponding period.

“Other income net of other expenses” of S$43.9 million in YTD Sep 2014 was lower than YTD 2013’s S$50.6 million, which included IMAS’s contribution of S$42.5 million as compared to S$48.4 million in YTD Sep 2013. The decrease was mainly due gain in disposal of property, plant and equipment in the corresponding period.

The Group’s YTD Sep 2014 “share of associate’s result” was S$23.0 million loss as compared to YTD Sep 2013’s S$6.6 million profit and was mainly due to consolidation of IMAS’ share of its associates’ results. IMAS’ associates have provided additional provisions to incentivize agents in marketing and promoting vehicle sales.

Excluding IMAS’s loss of S$15.7 million and IMAS acquisition related interest cost, the Group registered net profit of S$19.8 million as compared to YTD Sep 2013’s S$12.3 million net profit. With the consolidation of IMAS, the enlarged Group’s net loss was S$19.7 million for YTD Sep 2014 as compared to YTD Sep 2013’s S$7.0 million net profits.

Balance Sheet

The Group’s property, plant and equipment was higher than FY2013’s and was mainly due to cost relating to deployment of passenger car showrooms and service centers in Indonesia.

The Group’s cash and bank balances as at 30 Sep 2014 were S$179.0 million, representing S$10.6 million increase from FY2013’s S$168.4 million. The increase was mainly due to proceeds from bond issue that was used to retire certain external banking loans. The Group’s borrowings and debt securities as at 30 Sep 2014 were S$2.2 billion. Of the total debt of S$2.2 billion, S$755.0 million relates to IMAS’ financial services business.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

While the Group is hopeful with the launch of Datsun Low Cost Car, it remains cautious of the Indonesian Rupiah exchange rate, and high interest rate.

The Industrial Park and Utilities business are recovering from last global crisis while businesses remain challenging and electricity consumption remains low. With increasing labour cost, foreign currency volatilities and potential surcharge on natural gas purchases, the Industrial Parks’ and Utilities’ margin will be impacted. The Group continues to deliver resorts land sales and is hopeful of higher contributions from Phase 1 of the Lagoi Bay Development.

11. If a decision regarding dividend has been made.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared (recommended) for the quarter ended 30 September 2014.

13. Pursuant to Rule 920 of the SGX-ST Listing Manual, details of the aggregate value of the interested person transactions transacted.

The aggregate value of the interested person transactions for the financial period ended 30 September 2014 was as follows:

Name of interested person	**Aggregate value of all interested person transactions during the period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**	**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**
	S$'000	**S$'000**
PURCHASES		
PT Asuransi Central Asia Purchase of insurance		**766**
PT Sumalindo Alam Lestari Purchases		**328**
PT Indomarco Prismatama Purchases		**287**
PT Mentari Subur Abadi Purchases		**110**
SALES		
PT Alam Indah Bintan Sales		**(2,152)**
PT Straits CM Village Sales		**(2,295)**
PT Wolfsburg Auto Indonesia Sales		**(470)**
PT Indofood Sukses Makmur Sales		**(637)**
PT Indomarco Prismatama Sales		**(304)**
PT Swadharma Indotama Finance Sales		**(108)**
PT Indofood CBP Sukses Makmur Tbk Sales		**(118)**
CONVERTIBLE BOND		
PT Alam Indah Bintan Interest income	**(1,778)**	

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
EXECUTIVE DIRECTOR AND COMPANY SECRETARY
3 NOVEMBER 2014

CONFIRMATION BY DIRECTORS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We confirm on behalf of the Board of Directors of Gallant Venture Ltd., that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the Third Quarter Financial Statements for the period ended 30 September 2014 to be false or misleading in any material aspect.

For and on behalf of the Board

Eugene Cho Park	Gianto Gunara
CEO / Executive Director	Executive Director

Date: 3 November 2014

Financial statements
Gallant Venture Ltd.
and its subsidiaries

31 December 2013

Company information

Company registration number	200303179Z
Registered office	991A Alexandra Road #02-06/07 Singapore 119969
Directors	Lim Hock San (Non-Executive Chairman and Independent Director) Eugene Cho Park (Executive Director and Chief Executive Officer) Gianto Gunara (Executive Director) Dr Tan Chin Nam (Non-Executive Director) BG (Ret) Chin Chow Yoon (Non-Executive Director) Foo Ko Hing (Independent Director) Rivaie Rachman (Independent Director)
Audit committee	Lim Hock San (Chairman) Foo Ko Hing Rivaie Rachman
Nominating committee	Rivaie Rachman (Chairman) Lim Hock San BG (Ret) Chin Chow Yoon Foo Ko Hing
Remuneration committee	Lim Hock San (Chairman) Foo Ko Hing Rivaie Rachman
Company secretary	Choo Kok Kiong
Share registrar	KCK CorpServe Pte. Ltd. 333 North Bridge Road #08-00 KH KEA Building Singapore 188721
Principal bankers	United Overseas Bank Limited PT Bank CIMB Niaga Tbk CIMB Singapore Branch Standard Chartered Bank Ltd
Independent auditor	Foo Kon Tan Grant Thornton LLP Public Accountants and Chartered Accountants 47 Hill Street #05-01 Singapore Chinese Chamber of Commerce & Industry Building Singapore 179365 Partner-in-charge : Ong Soo Ann Date of appointment : Since financial period ended 31 December 2013

Contents

Directors' report
for the financial year ended 31 December 2013

The Directors submit this annual report to the members together with the audited statement of financial position of the Company and consolidated financial statements of the Group for the financial year ended 31 December 2013.

Names of Directors

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

Mr Lim Hock San (Non-Executive Chairman and Independent Director)
Mr Eugene Cho Park (Executive Director and Chief Executive Officer)
Mr Gianto Gunara (Executive Director)
Dr Tan Chin Nam (Non-Executive Director)
BG (Ret) Chin Chow Yoon (Non-Executive Director)
Mr Foo Ko Hing (Independent Director)
Mr Rivaie Rachman (Independent Director)

Arrangements to enable Directors to acquire shares or debentures

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

Directors' interest in shares or debentures

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

	Number of ordinary shares registered in the name of Director or nominee			Number of ordinary shares in which Director is deemed to have an interest		
The Company	As at 1.1.2013	**As at 31.12.2013**	**As at 21.1.2014**	As at 1.1.2013	**As at 31.12.2013**	**As at 21.1.2014**
Lim Hock San	1,707,000	**3,414,000**	**3,414,000**	-	-	-
Eugene Cho Park	100,000	**200,000**	**200,000**	657,011,738	**657,011,738**	-
Gianto Gunara	100,000	**200,000**	**200,000**	-	-	-

Directors' benefits

Since the end of the previous financial year, no Director has received or has become entitled to receive a benefit under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50, except as disclosed in Note 29 to the financial statements, and except that certain Directors have an employment relationship with the Company, and have received remuneration in that capacity.

Share options

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

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

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

Audit Committee

The Audit Committee comprises the following members:

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

The Audit Committee carried out its functions in accordance with Section 201B of the Companies Act, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance.

The Audit Committee reviewed the overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls. The Audit Committee also reviewed the consolidated financial statements of the Group and the financial statements of the Company for the financial year ended 31 December 2013 as well as the auditor's report thereon prior to consideration and approval by the Board, announcement of the unaudited results for quarterly, half-yearly and full year to SGX-ST and interested party transactions (as defined in the Listing Manual of the SGX-ST).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or Executive Officer to attend its meetings.

The Audit Committee has also conducted a review of the fees paid or payable to the auditors for non-audit services for financial year ended 31 December 2013. In pursuance with Section 206(1A) of the Companies Act, Cap. 50, and based on the review by the Audit Committee and its recommendation, the Board is also satisfied that the level of non-audit fees paid or payable to the auditors did not affect the independence of the auditors.

The Audit Committee has therefore recommended to the Board of Directors the nomination of Foo Kon Tan Grant Thornton LLP as external auditors at the forthcoming Annual General Meeting of the Company.

Independent auditor

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

On behalf of the Directors

....
EUGENE CHO PARK

....
GIANTO GUNARA

Dated: 8 April 2014

Statement by Directors
for the financial year ended 31 December 2013

In the opinion of the Directors, the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of state of affairs of the Company and of the Group as at 31 December 2013 and of the results, changes in equity and cash flows of the Group for the financial year ended on that date and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

....
EUGENE CHO PARK

....
GIANTO GUNARA

Dated: 8 April 2014

Independent auditor's report to the members of Gallant Venture Ltd.

Report on the financial statements

We have audited the accompanying financial statements of Gallant Venture Ltd. ("the Company") and of its subsidiaries ("the Group"), which comprise the statements of financial position of the Company and of the Group as at 31 December 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Independent auditor's report to the members of Gallant Venture Ltd. (Cont'd)

Opinion

In our opinion, the statement of financial position of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013 and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Foo Kon Tan Grant Thornton LLP
Public Accountants and
Chartered Accountants

Singapore, 8 April 2014

Statements of financial position
as at 31 December 2013

	Note	The Company 31 Dec 2013 $'000	The Company 31 Dec 2012 $'000	The Group 31 Dec 2013 $'000	The Group 31 Dec 2012 $'000 Restated	The Group 1 Jan 2012 $'000 Restated
Assets						
Non-Current						
Intangible assets	4	**379**	-	**1,269,162**	3,275	1,344
Property, plant and equipment	5	**48**	95	**603,671**	283,794	307,665
Investment properties	6	**-**	-	**186,491**	207,280	232,437
Subsidiaries	7	**2,557,260**	1,207,642	**-**	-	-
Associates	8	**-**	-	**193,436**	17,196	15,454
Financing receivables	9	**-**	-	**346,477**	-	-
Deferred tax assets	10	**1,344**	-	**34,780**	3,979	4,435
Other non-current assets	11	**9,140**	8,062	**606,026**	388,945	364,378
		2,568,171	1,215,799	**3,240,043**	904,469	925,713
Current						
Land inventories	12	**-**	-	**597,092**	585,796	569,681
Other inventories	13	**-**	-	**478,534**	11,320	10,860
Financing receivables	9	**-**	-	**306,259**	-	-
Trade and other receivables	14	**121,295**	124,485	**426,871**	58,332	44,993
Cash and bank balances	15	**3,062**	4,494	**168,363**	66,769	95,084
		124,357	128,979	**1,977,119**	722,217	720,618
Total assets		**2,692,528**	1,344,778	**5,217,162**	1,626,686	1,646,331
Equity and liabilities						
Share capital	16	**1,880,154**	1,207,642	**1,880,154**	1,207,642	1,207,642
(Accumulated losses)/retained profits		**(618)**	(14,433)	**105,611**	58,149	46,960
Reserves	17	**80,000**	-	**16,610**	(5,080)	(1,839)
Equity attributable to equity holders of the Company		**1,959,536**	1,193,209	**2,002,375**	1,260,711	1,252,763
Non-controlling interests		**-**	-	**622,542**	23,440	24,937
Total equity		**1,959,536**	1,193,209	**2,624,917**	1,284,151	1,277,700
Liabilities						
Non-Current						
Borrowings	18	**494,888**	-	**923,783**	211,933	177,509
Debt securities	19	**84,124**	-	**342,817**	-	-
Deferred tax liabilities	10	**-**	127	**4,575**	1,889	2,022
Employee benefits liabilities	20	**-**	-	**21,647**	11,896	9,227
Other non-current liabilities	21	**90**	-	**80,131**	41,389	31,856
		579,102	127	**1,372,953**	267,107	220,614
Current						
Trade and other payables	22	**18,428**	7,270	**345,002**	44,936	64,847
Borrowings	18	**134,867**	144,148	**799,744**	27,093	80,196
Debt securities	19	**-**	-	**57,857**	-	-
Current tax payable		**595**	24	**16,689**	3,399	2,974
		153,890	151,442	**1,219,292**	75,428	148,017
Total liabilities		**732,992**	151,569	**2,592,245**	342,535	368,631
Total equity and liabilities		**2,692,528**	1,344,778	**5,217,162**	1,626,686	1,646,331

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

Consolidated statement of comprehensive income
for the financial year ended 31 December 2013

	Note	**Year ended 31 December 2013 $'000**	Year ended 31 December 2012 $'000 Restated
Revenue	25	**1,854,748**	204,229
Cost of sales		**(1,584,052)**	(160,824)
Gross profit		**270,696**	43,405
Other income	26	**102,886**	33,864
General and administrative expenses		**(105,980)**	(14,506)
Other operating expenses	27	**(113,974)**	(23,934)
Share of associate companies' profits		**7,820**	1,904
Finance costs	28	**(75,208)**	(18,531)
Profit before taxation	29	**86,240**	22,202
Taxation	30	**(16,043)**	(12,430)
Profit after taxation		**70,197**	9,772
Other comprehensive (expense)/income after taxation:			
<u>Items that are/may be reclassified subsequently to profit or loss</u>			
Change in fair value of available-for-sales investments	17(d)	**(7,191)**	-
Change in fair value of derivative instruments, net of tax	17(c)	**7,454**	-
- Currency translation differences	17(b)	**(106,237)**	(771)
Share of associate companies' other comprehensive income		**3**	-
<u>Items that will not be reclassified subsequently to profit or loss</u>			
- Actuarial gains/(losses) arising during the period	17(e)	**1,279**	(2,511)
Other comprehensive expense for the year after taxation	31	**(104,692)**	(3,282)
Total comprehensive (expense)/income for the year		**(34,495)**	6,490
Profit attributable to:			
- Equity holders of the Company		**47,462**	11,190
- Non-controlling interests		**22,735**	(1,418)
		70,197	9,772
Total comprehensive (expense)/income attributable to:			
- Equity holders of the Company		**(20,854)**	7,948
- Non-controlling interests		**(13,641)**	(1,458)
		(34,495)	6,490
		Cents	Cents
Earnings per share			
- Basic	32	**1.180**	0.464
- Diluted		**1.133**	0.464

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

Consolidated statement of changes in equity

for the financial year ended 31 December 2013

	Attributable to owners of the Company									
	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2013, as restated	1,207,642	-	(2,242)	-	-	(2,838)	58,149	1,260,711	23,440	1,284,151
Profit for the year	-	-	-	-	-	-	47,462	47,462	22,735	70,197
Other comprehensive income	-	-	(70,399)	5,145	(4,267)	1,205	-	(68,316)	(36,376)	(104,692)
Total comprehensive income for the year	**-**	**-**	**(70,399)**	**5,145**	**(4,267)**	**1,205**	**47,462**	**(20,854)**	**(13,641)**	**(34,495)**
Issue of ordinary shares	675,495	-	-	-	-	-	-	675,495	-	675,495
Issue of convertible bond - equity component	-	80,000	-	-	-	-	-	80,000	-	80,000
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	(2,942)	(2,942)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	962,413	962,413
Share issue expenses	(2,983)	-	-	-	-	-	-	(2,983)	-	(2,983)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	1,711	-	-	-	8,295	-	10,006	(346,728)	(336,722)
Balance at 31 December 2013	**1,880,154**	**81,711**	**(72,641)**	**5,145**	**(4,267)**	**6,662**	**105,611**	**2,002,375**	**622,542**	**2,624,917**

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

Consolidated statement of changes in equity

for the financial year ended 31 December 2013 (Cont'd)

	Attributable to owners of the Company							
	Share capital $'000	Translation reserve $'000	Fair value reserve $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2012 as previously reported	**1,207,642**	**(1,461)**	**-**	**-**	**46,960**	**1,253,141**	**24,975**	**1,278,116**
Effect of amendment to FRS 19 (Note 2(b)	**-**	**-**	**-**	**(378)**	**-**	**(378)**	**(38)**	**(416)**
Balance at 1 January 2012, as restated	1,207,642	(1,461)	-	(378)	46,960	1,252,763	24,937	1,277,700
Profit for the year	-	-	-	-	11,082	11,082	(1,424)	9,658
Other comprehensive income	-	(781)	-	(2,460)	107	(3,134)	(34)	(3,168)
Total comprehensive income for the year, as restated	**-**	**(781)**	**-**	**(2,460)**	**11,189**	**7,948**	**(1,458)**	**6,490**
Dividends paid to non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**(39)**	**(39)**
Balance at 31 December 2012, as restated	**1,207,642**	**(2,242)**	**-**	**(2,838)**	**58,149**	**1,260,711**	**23,440**	**1,284,151**

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

Consolidated statement of cash flows
for the financial year ended 31 December 2013

	Note	Year ended 31 December 2013 $'000	Year ended 31 December 2012 $'000 Restated
Cash Flows from Operating Activities			
Profit before taxation		**86,240**	22,202
Adjustments for:			
Amortisation of intangible assets		**58**	177
Depreciation of property, plant and equipment and investment properties		**83,392**	53,530
Net fair value (gain)/loss on available for sales assets and derivatives		**(4,882)**	11,376
Currency translation difference		**(220,943)**	(241)
(Gain)/loss on disposal of property, plant and equipment		**(26,266)**	458
(Reversal)/impairment of trade and other receivables		**(165)**	564
Allowance for inventories obsolescence		**174**	8
Provision for employees' benefits		**(3,509)**	976
Interest expense		**75,208**	18,531
Interest income		**(24,822)**	(22,712)
Gain on present value of non-convertible bond		**(20,579)**	-
Share of associates' profits		**(7,820)**	(1,904)
Operating (loss)/profit before working capital changes		**(63,914)**	82,965
Increase in land inventories		**(11,296)**	(16,115)
Decrease/(increase) in other inventories		**35,009**	(467)
Increase in operating receivables		**(1,094)**	(15,710)
Increase/(decrease) in operating payables		**67,868**	(27,174)
Cash generated from operating activities		**26,573**	23,499
Income tax paid		**(45,645)**	(3,970)
Employee benefits paid		**(287)**	(526)
Interest paid		**(91,877)**	(19,580)
Interest received		**2,017**	902
Deposits refunded to tenants/golf members		**(2,194)**	(1,844)
Net cash used in operating activities		**(111,413)**	(1,519)
Cash Flows from Investing Activities			
Acquisition of intangible assets		**(414)**	(2,108)
Acquisition of property, plant and equipment		**(100,598)**	(13,038)
Acquisition of investment properties		**-**	(39)
Dividend from associates		**4,454**	120
Proceeds from disposal of property, plant and equipment		**54,652**	3,620
Proceeds from sale of investment property		**-**	4,175
Acquisition of subsidiaries, net cash (outflow)/ inflow on acquisition	33	**(919,281)**	55
Acquisition of other assets		**(48,737)**	-
Changes in financial receivables		**(50,424)**	-
Proceeds from issuance of right issue		**675,495**	-
Deposits received		**-**	99
Net cash used in investing activities		**(384,853)**	(7,116)

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

Consolidated statement of cash flows
for the financial year ended 31 December 2013 (Cont'd)

	Note	**Year ended 31 December 2013 $'000**	Year ended 31 December 2012 $'000 Restated
Cash Flows from Financing Activities			
Subscription of convertible bond		**80,000**	-
Proceeds from other financing activities		**131,917**	-
Repayment of other financing activities		**(9,264)**	-
Acquisition of non-controlling interests		**(362,909)**	-
Proceeds from bank borrowings		**819,155**	243,353
Repayment of bank borrowings		**(53,196)**	(262,032)
Share issue expenses		**(2,983)**	-
Dividends paid to non-controlling interests		**(2,942)**	(39)
Net cash generated from/(used in) financing activities		**599,778**	(18,718)
Increase/(decrease) in cash and cash equivalents		**103,512**	(27,353)
Cash and cash equivalents at beginning of year		**66,769**	95,084
Effect of currency translation on cash and cash equivalent		**(1,918)**	(962)
Cash and cash equivalents at end of year	15	**168,363**	66,769

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

Notes to the financial statements
for the financial year ended 31 December 2013

1 General information

The financial statements of the Company and of the Group for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of the Directors on the date of the Statement by Directors.

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

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

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations to FRS ("INT FRS") promulgated by the Accounting Standards Council.

The financial statements are prepared on the historical cost basis except as disclosed in the accounting policies below.

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

The preparation of the financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are disclosed in Note 3.

2(b) Interpretations and amendments to published standards effective in 2013

On 1 January 2013, the Group adopted the new or amended FRS that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS. This includes the following FRS which are relevant to the Group:

Reference	Description
FRS 1	Presentation of Items of Other Comprehensive Income
FRS 19	Employee Benefits
FRS 107	Disclosures - Offsetting Financial Assets and Financial Liabilities
FRS 113	Fair value Measurement
Improvements to FRSs 2012	

<u>FRS 1 Presentation of items of Other Comprehensive Income</u>
The amendments to FRS 1 *Presentation of Items of Other Comprehensive Income* (OCI) are effective for financial periods beginning on or after 1 July 2012.

The amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be classified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

<u>FRS 107 Disclosures - Offsetting Financial Assets and Financial Liabilities</u>
The following is an illustrative disclosure of the nature of the impending changes in disclosures on adoption of amendments to FRS 107.

The amendments to FRS 107 provides disclosure requirements that are intended to help investors and other financial statement users better assess the effect or potential effect of offsetting arrangements on a company's financial position. The new disclosures require information about the gross amount of financial assets and liabilities before offsetting and the amounts set off in accordance with the offsetting model in FRS 32.

<u>FRS 113 Fair Value Measurement</u>
FRS 113 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of FRS 113 is broad and it applies for both financial and non-financial items for which other FRSs require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

FRS 113 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The Group has however included as comparative information the FRS 113 disclosures that were required previously by FRS 107 'Financial Instruments: Disclosures'.

The adoption of amended above standards did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

2(b) Interpretations and amendments to published standards effective in 2013 (Cont'd)

Amendments to FRS 19 'Employee Benefits' (FRS 19)

The 2011 amendments to FRS 19 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- Eliminate the 'corridor method' and requires the recognition of re-measurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income
- Change the measurement and presentation of certain components of the defined cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability
- Enhance disclosures, including more information about the characteristics of defined benefit plans and related risk.

FRS 19 has been applied retrospectively in accordance with its transitional provisions. Consequently, the Group has restated its reported results throughout the comparative periods presented and reported the cumulative effect as at 1 January 2012 as an adjustment to opening equity.

The effects of the application of FRS 19 on the statement of financial position are summarised as follows:

The Group	Deferred tax assets $'000	Retained profits/ (accumu-lated losses) $'000	Translation reserve $'000	Other reserve $'000	Non-controlling interest $'000	Deferred tax liabilities $'000	Emplo-yee benefits liabilities $'000
Balance as reported at 1 January 2012	4,198	46,960	(1,461)	-	24,975	2,082	8,514
Effect of revaluation on 1 January 2012	237	-	-	(378)	(38)	(60)	713
Restated balance at 1 January 2012	4,435	46,960	(1,461)	(378)	24,937	2,022	9,227
Balance as reported at 31 December 2012	3,309	58,042	(2,242)	-	23,512	1,953	8,359
Effect of revaluation on 1 January 2012	237	-	-	(378)	(38)	(60)	713
Effect on profit or loss	433	107	-	(2,460)	(34)	(4)	2,824
Restated balance at 31 December 2012	3,979	58,149	(2,242)	(2,838)	23,440	1,889	11,896

The effects of the application of FRS 19 on the consolidated statement of comprehensive income is as follows:

	As restated 2012 $'000	As reported 2012 $'000	Effect of amendment to FRS 19 2012 $'000
Other income	33,864	33,768	96
General and administrative expenses	(14,506)	(14,476)	(30)
Other operating expenses	(23,934)	(24,004)	70
Taxation	(12,430)	(12,418)	(12)
Effect on profit or loss			124
Other comprehensive expense after taxation:-			
Actuarial losses arising during the period	-	(2,511)	(2,511)

The effect of the application of FRS 19 on the statement of cash flows and on earnings per share was immaterial.

2(c) FRS not yet effective

The following are the new or amended FRS and INT FRS issued in 2013 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual period beginning on or after)
Revised FRS 27	Separate Financial Statements	1 January 2014
Revised FRS 28	Investments in Associates and Joint Ventures	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014

The Directors do not anticipate that the adoption of the above FRS in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

2(d) Summary of significant accounting policies

(i) Consolidation

The consolidated financial statements of the Group include the financial statements of the Company, its subsidiaries and the Group's interests in associates made up to the end of the financial year.

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date that control commences until the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

a. <u>Acquisitions</u>
The acquisition method of accounting is used to account for business combinations by the Group.

2(d) Summary of significant accounting policies (Cont'd)

(i) Consolidation (cont'd)

a. Acquisitions (cont'd)
The consideration transferred for the acquisition of a business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets - Goodwill" for the subsequent accounting policy on goodwill.

b. Disposals
When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Transactions with non-controlling interests
Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(ii) Intangible assets

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

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

2(d) Summary of significant accounting policies (Cont'd)

(ii) Intangible assets (cont'd)

a. Goodwill

Goodwill acquired in a business combination represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable asset acquired. Goodwill is measured at cost less any accumulated impairment losses. Goodwill is recognised separately as intangible assets and carried at cost less any accumulated impairment losses.

b. Computer Software

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

(iii) Property, plant and equipment and depreciation

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

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

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

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

2(d) Summary of significant accounting policies (Cont'd)

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

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

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

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

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

(iv) Investment properties

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

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

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

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

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

2(d) Summary of significant accounting policies (Cont'd)

(v) Subsidiaries

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether there is control.

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

(vi) Associates

An associate is defined as a company, not being a subsidiary or jointly controlled entity, in which the Group has significant influence, but not control, over its financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates at company level are stated at cost. Allowance is made for any impairment losses on an individual company basis.

In applying the equity method of accounting, the Group's share of the post-acquisition profit or loss of associates, based on the coterminous financial statements, is included in the profit or loss and its shares of post-acquisition other comprehensive income is recognised in other comprehensive income. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the Group's share of losses of an associate equals or exceeds the carrying amount of an investment, the Group ordinarily discontinues including its share of further losses. The investment is reported at nil value. Additional losses are provided for to the extent that the Group has incurred obligations or payments on behalf of the associate to satisfy obligations of the associate that the Group has guaranteed or otherwise committed, for example, in the forms of loans. When the associate subsequently reports profits, the Group resumes including its share of those profits only after its share of the profits equals the share of net losses recognised.

The Group's share of the net assets and post-acquisition retained profits and reserves of associates is reflected in the book values of the investments in the consolidated statement of financial position.

Where the accounting policies of an associate do not conform to those of the Company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

On acquisition of the investment, any difference between the cost of acquisition and the Group's share of the fair values of the net identifiable assets of the associate is accounted for in accordance with the accounting policies on "Consolidation" and "Goodwill".

When financial statements of associates with different reporting dates are used (not more than three months apart), adjustments are made for the effects of any significant events or transactions between the investor and the associates that occur between the date of the associates' financial statements and the end of reporting period. Where this occurs, the reporting date of the financial statements of the associate shall be disclosed, together with the reason for using a different reporting period.

2(d) Summary of significant accounting policies (Cont'd)

(vii) Land inventories

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

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

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

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

(viii) Other inventories

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

(ix) Financial assets

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

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

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

An assessment for impairment is undertaken at least at end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

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

2(d) Summary of significant accounting policies (Cont'd)

(ix) Financial assets (cont'd)

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

a. Loans and receivables

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

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

b. Available-for-sale financial assets

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

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

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

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

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

2(d) Summary of significant accounting policies (Cont'd)

(ix) Financial assets (cont'd)

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

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

The Group's available-for-sale financial assets is shown in Note 11.

Determination of fair value

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

(x) Consumer financing receivable

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

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

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

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

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

(xi) Foreclosed assets

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

2(d) Summary of significant accounting policies (Cont'd)

(xi) Foreclosed assets (cont'd)

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

(xii) Golf membership

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

(xiii) Cash and cash equivalents

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

(xiv) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognised as a deduction from equity, net of any tax effects.

(xv) Financial liabilities

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

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

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

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

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

2(d) Summary of significant accounting policies (Cont'd)

(xv) Financial liabilities (cont'd)

Convertible bonds

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

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

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

(xvi) Derivative financial instruments and hedging activities

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

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

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

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

Cash flow hedge

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

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

2(d) Summary of significant accounting policies (Cont'd)

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

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

Derivatives financial instruments not designated as hedging instrument

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

(xvii) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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 obligation, the provision is reversed. Present obligations arising from onerous contracts are recognised as provisions.

(xviii) Leases

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

a. When entities within the Group are lessees of a finance lease

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, property, plant and equipment acquired through finance leases are capitalised at the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leased assets are depreciated over the shorter of the lease term and their useful lives if there is no reasonable certainty that the Group will obtain ownership by end of the lease term. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest over the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

At inception, an arrangement that contains a lease is accounted for as such based on the terms and conditions even though the arrangement is not in the legal form of a lease.

b. When entities within the Group are lessees of an operating lease

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

2(d) Summary of significant accounting policies (Cont'd)

(xviii) Leases (cont'd)

c. When entities within the Group are lessors of an operating lease

Assets leased out under operating leases are included under investment properties (see policy on investment properties). Rental income (net of any incentives given to lessees) on operating leases is recognised on a straight-line basis over the lease term (see policy on revenue recognition).

(xix) Income tax

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

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

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

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

Deferred income tax is measured:

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

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

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the subsidiaries' 5 years projections, which is adjusted for significant non-taxable incomes and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in numerous jurisdictions in which the Group operates are also carefully taken into consideration.

In compliance with Government Regulation No. 5/2002 dated 23 March 2002 of the Republic of Indonesia, each payment of building rentals is subject to final tax of 10% from the gross rental amount starting 1 May 2002.

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

2(d) Summary of significant accounting policies (Cont'd)

(xx) Employee benefits

a. Pension obligations

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

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

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

b. Employee leave entitlements

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

c. Provisions for employee service entitlements

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

The cost of providing employee benefits under the Law is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceeded 10% of the higher of the present value of defined obligation. These gains or losses are recognised over the expected average remaining working lives of the employees. Further, part service costs arising from the introduction of a defined benefit plan or changes in the benefits payable of an existing plan are required to be amortised on a straight-line basis over the period until the benefits concerned become vested.

d. Key management personnel

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

(xxi) Impairment of non-financial assets

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

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

2(d) Summary of significant accounting policies (Cont'd)

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

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

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

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

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

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued assets was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

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

(xxii) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

2(d) Summary of significant accounting policies (Cont'd)

(xxiii) Revenue recognition

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

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

b. Sales of land and building
Revenue from the sale of land and building is recognised when all the following conditions have been satisfied:

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

The Group also considers

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

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

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

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

e. Resort operations and ferry services
Revenue is recognised when the services are rendered.

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

2(d) Summary of significant accounting policies (Cont'd)

(xxiii) Revenue recognition (cont'd)

g. Rental income and rendering of service and maintenance

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

h. Telecommunication service

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

i. Clinic operation

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

j. Utilities revenue

Revenue from electricity and water supply is recognised upon delivery.

k. Interest income

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

l. Dividends

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

(xxiv) Borrowing costs

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

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

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

(xxv) Bond issuance costs

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

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

2(d) Summary of significant accounting policies (Cont'd)

(xxvi) Foreign currencies

a. Functional and presentation currency

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

b. Transactions and balances

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

c. Translation of Group entities' financial statements

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

- Assets and liabilities are translated at the closing exchange rates at the date of the end of the reporting period;
- Income and expenses are translated at average exchange rates; and
- All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the end of reporting period.

(xxvii) Operating segment

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

3 Significant accounting estimates, assumptions and judgements

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

(i) Estimation uncertainty 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 as follows:

a. Allowance for impairment losses on receivable

The Group evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Group uses judgement, based on the best available facts and circumstances including but not limited to the length of its relationship with the customer and the customer's current credit status based on third party credit reports and known market factors to record specific provisions for customers receivables against amount due to reduce its receivable amounts that the Group expect to collect. These specific provisions are revaluated and adjusted if additional information received affects the amounts of allowance for impairment losses of trade receivable, financing receivable and other receivables. The carrying amount of receivables as at 31 December 2013 amounts to $426,871,000 (2012 - $58,332,000).

b. Pension and employee benefits

The determination of the Group's obligation cost for pension and employee benefits liabilities is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Group's assumptions are recognised in profit or loss as and when they occurred. While the Group believes that its assumptions are reasonable and appropriate, significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. The carrying amount of employee benefit liabilities as at 31 December 2013 amounts to $21,647,000 (2012 - $11,896,000)

c. Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 2 to 80 years. Changes in the expected level of usage and technological development could impact the economic useful lives and residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of the Company's and the Group's property, plant and equipment as at 31 December 2013 are $48,000 (2012 - $ 95,000) and $603,671,000 (2012 - $283,794,000) respectively.

d. Financial instruments

The Group carries certain financial assets and liabilities at fair value, which requires the use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidences, the amount of changes in fair values would differ if the Group utilised different valuation methodology. Any changes in fair values of these financial assets and liabilities would affect directly the Group's profit or loss. The carrying amount of the Group's financial assets carried at fair values as at 31 December 2013 is $652,736,000 (2012 - $Nil) and carrying amounts of financial liabilities was $Nil.

3 Significant accounting estimates, assumptions and judgements (Cont'd)

(i) Estimation uncertainty and assumptions (cont'd)

e. Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management estimates are required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

f. Allowance for decline in market values and obsolescence of inventories

Allowance for decline in market values and obsolescence of inventories is estimated based on the best available facts and circumstances including but not limited to the inventories' own physical conditions, their market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. The provision are re-evaluated and adjusted as additional information received affects the amount estimated. The carrying amounts of land inventories and other inventories as at 31 December 2013 are $597,092,000 (2012 - $585,796) and $478,534,000 (2012 - $11,320,000) respectively.

g. Impairment of goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. The assessment of impairment of goodwill was determined based on the recoverable amount of the Group's cash-generating units ("CGU") according to business segments. The recoverable amount of the CGU is determined based on value-in-use calculation. This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period and use of estimates (Note 4). The carrying amount of goodwill as at 31 December 2013 amounts to $1,268,715,000 (2012 - $3,184,000).

h. Impairment of investment in subsidiaries

Determining whether investment in subsidiaries is impaired requires an estimation of the value-in-use of that investment. The value-in-use calculation requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment based on such estimates and determined that no allowance for impairment of investment in subsidiaries is deemed required.

i. Impairment of property, plant and equipment

Property, plant and equipment is tested for impairment whenever there is any objective evidence or indication that the assets may be impaired. The recoverable amounts of the assets and where applicable, have been determined based on value-in-use calculations. The value-in-use calculation requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the impairment of property, plant and equipment on such estimates.

(ii) Judgements

The following judgements are made by the management in the process of applying the Group's accounting policies that have the most significant effects on the amounts recognised in the financial statements.

3 Significant accounting estimates, assumptions and judgements (Cont'd)

(ii) Judgements (cont'd)

a. Income tax

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

b. Operating lease commitments - as lessor

The Group has entered into commercial property leases on its investment properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

c. Investment properties

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

d. Land inventories

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

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

e. Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using variety of valuation techniques that include the use of mathematical models. The input to these models are derived from observable market date where possible but where observable market are not available, judgement is required to establish fair values. The judgment includes considerations of liquidity and model inputs such as volatility and discount rates, prepayment rates and default rate assumptions.

4 Intangible assets

The Company	Computer software $'000	Total $'000
Cost		
At 1 January 2012	107	107
Additions	-	-
At 31 December 2012	107	107
Additions	**385**	**385**
Disposal	**(15)**	**(15)**
At 31 December 2013	**477**	**477**
Accumulated amortisation		
At 1 January 2012	77	77
Amortisation for the year	30	30
At 31 December 2012	**107**	**107**
Amortisation for the year	**6**	**6**
Disposal	**(15)**	**(15)**
At 31 December 2013	**98**	**98**
Net book value		
At 31 December 2013	**379**	**379**
At 31 December 2012	-	-

The Group	Note	Goodwill $'000	Computer software $'000	Total $'000
Cost				
At 1 January 2012		1,164	1,066	2,230
Additions		2,020	88	2,108
At 31 December 2012		**3,184**	**1,154**	**4,338**
Acquisition of a subsidiaries	33	**1,265,591**	**-**	**1,265,591**
Reclassification to construction-in-progress		**(60)**	**-**	**(60)**
Additions		**-**	**414**	**414**
Disposal		**-**	**(15)**	**(15)**
At 31 December 2013		**1,268,715**	**1,553**	**1,270,268**
Accumulated amortisation				
At 1 January 2012		-	886	886
Amortisation for the year		-	177	177
At 31 December 2012		**-**	**1,063**	**1,063**
Amortisation for the year		**-**	**58**	**58**
Disposal		**-**	**(15)**	**(15)**
At 31 December 2013		**-**	**1,106**	**1,106**
Net book value				
At 31 December 2013		**1,268,715**	**447**	**1,269,162**
At 31 December 2012		3,184	91	3,275

4 Intangible assets (Cont'd)

Impairment test for Goodwill

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

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

The Group	2013 $'000	2012 $'000
Resort operations	**1,164**	1,164
Property Development	**1,960**	2,020
Automotive	**1,265,591**	-
	1,268,715	3,184

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

Key assumptions used for value-in-use calculations:

	2013		2012	
	Resort operations	**Property development**	Resort operations	Property development
Gross margin (1)	**31.37%**	**35.00%**	27.64%	35.00%
Growth rate (2)	**3.00%**	**5.00%**	3.50%	5.00%
Discount rate (3)	**7.95%**	**6.15%**	6.13%	6.13%

(1) Budgeted gross margin

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

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

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

No impairment test was carried out for the provisional goodwill allocated to the automotive segment from the acquisition of PT Indomobil Sukses Internasional Tbk as the final allocation of the purchase price to the identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination is currently being determined and has not been completed.

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

5 Property, plant and equipment

The Company	Furniture fixtures and equipment $'000	Office equipment $'000	Leasehold improvements $'000	Total $'000
Cost				
At 1 January 2012	105	199	357	661
Additions	31	1	-	32
Disposals	(57)	(6)	-	(63)
At 31 December 2012	**79**	**194**	**357**	**630**
Additions	**3**	**23**	**-**	**26**
Disposals	**-**	**(31)**	**-**	**(31)**
At 31 December 2013	**82**	**186**	**357**	**625**
Accumulated depreciation				
At 1 January 2012	99	167	226	492
Depreciation for the year	10	23	72	105
Disposals	(57)	(5)	-	(62)
At 31 December 2012	**52**	**185**	**298**	**535**
Depreciation for the year	**9**	**12**	**52**	**73**
Disposals	**-**	**(31)**	**-**	**(31)**
At 31 December 2013	**61**	**166**	**350**	**577**
Net book value				
At 31 December 2013	**21**	**20**	**7**	**48**
At 31 December 2012	27	9	59	95

5 Property, plant and equipment (Cont'd)

The Group	Balance at 1.1.2013 $'000	Exchange translation difference $'000	Acquisition of subsidiaries (Note 33) $'000	Additions $'000	Reclassifi -cation/ transfers $'000	Disposals $'000	Balance at 31.12.2013 $'000
Cost							
Leasehold land	**98,460**	**(23,123)**	**134,914**	**5,901**	**605**	**(10,832)**	**205,925**
Land improvements	**5,176**	**-**	**-**	**-**	**-**	**-**	**5,176**
Landfill	**4,242**	**-**	**-**	**-**	**-**	**-**	**4,242**
Building and infrastructures	**217,040**	**(10,489)**	**70,672**	**7,147**	**3,665**	**(1,343)**	**286,692**
Golf course	**25,307**	**-**	**-**	**-**	**-**	**-**	**25,307**
Utilities plant and machinery	**308,139**	**-**	**-**	**58**	**764**	**(217)**	**308,744**
Machinery and equipment	**58,528**	**(2,903)**	**85,386**	**10,366**	**(842)**	**(989)**	**149,546**
Vessels and ferry equipment	**51,476**	**-**	**-**	**1,162**	**-**	**(8)**	**52,630**
Working wharf	**1,685**	**-**	**-**	**-**	**-**	**-**	**1,685**
Transportation equipment and vehicles	**5,991**	**(27,848)**	**178,231**	**5,108**	**28,136**	**(3,517)**	**186,101**
Medical equipment	**819**	**-**	**-**	**-**	**-**	**-**	**819**
Furniture, fixtures and equipment	**25,130**	**(143)**	**-**	**527**	**978**	**(103)**	**26,389**
Office equipment	**4,407**	**(4,955)**	**38,391**	**15,484**	**197**	**(154)**	**53,370**
Resort equipment	**2,409**	**-**	**-**	**13**	**30**	**(35)**	**2,417**
Reservoir	**9,713**	**-**	**-**	**-**	**-**	**-**	**9,713**
Telecommunications equipment	**12,358**	**(2,085)**	**-**	**298**	**25**	**(6)**	**10,590**
Leasehold improvements	**1,032**	**2,139**	**143**	**2,515**	**3,169**	**-**	**8,998**
Construction-in-progress	**9,408**	**(2,115)**	**29,147**	**52,019**	**(48,188)**	**(14,448)**	**25,823**
Total	**841,320**	**(71,522)**	**536,884**	**100,598**	**(11,461)**	**(31,652)**	**1,364,167**

5 Property, plant and equipment (Cont'd)

The Group	Balance at 1.1.2013 $'000	Exchange translation difference $'000	Acquisition of subsidiaries (Note 33) $'000	Depreciation for the year $'000	Reclassification/ transfers $'000	Disposals $'000	Balance at 31.12.2013 $'000
Accumulated depreciation							
Leasehold land	**32,334**	**(11,904)**	**63,656**	**5,135**	**(223)**	**(302)**	**88,696**
Land improvements	**3,742**	**-**	**-**	**248**	**-**	**-**	**3,990**
Landfill	**1,816**	**-**	**-**	**288**	**-**	**-**	**2,104**
Building and infrastructures	**156,886**	**(3,532)**	**21,798**	**12,519**	**375**	**(367)**	**187,679**
Golf course	**10,302**	**-**	**-**	**544**	**-**	**-**	**10,846**
Utilities plant and machinery	**226,558**	**-**	**-**	**11,324**	**-**	**(217)**	**237,665**
Machinery and equipment	**52,529**	**(1,812)**	**29,050**	**6,112**	**131**	**(1,140)**	**84,870**
Vessels and ferry equipment	**25,896**	**-**	**-**	**3,248**	**-**	**(6)**	**29,138**
Working wharf	**1,685**	**-**	**-**	**-**	**-**	**-**	**1,685**
Transportation equipment and vehicles	**5,323**	**(7,392)**	**45,390**	**15,124**	**(5,071)**	**(1,897)**	**51,477**
Medical equipment	**733**	**-**	**-**	**18**	**-**	**-**	**751**
Furniture, fixtures and equipment	**19,409**	**(132)**	**-**	**1,333**	**-**	**(101)**	**20,509**
Office equipment	**3,500**	**(2,778)**	**18,745**	**3,090**	**329**	**(111)**	**22,775**
Resort equipment	**2,249**	**-**	**-**	**74**	**-**	**(34)**	**2,289**
Reservoir	**5,478**	**-**	**-**	**353**	**-**	**-**	**5,831**
Telecommunications equipment	**8,054**	**(1,721)**	**-**	**505**	**-**	**(6)**	**6,832**
Leasehold improvements	**1,032**	**280**	**102**	**1,016**	**-**	**929**	**3,359**
Construction-in-progress	**-**	**(95)**	**124**	**(29)**	**-**	**-**	**-**
Total	**557,526**	**(29,086)**	**178,865**	**60,902**	**(4,459)**	**(3,252)**	**760,496**

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

5 Property, plant and equipment (Cont'd)

The Group	Balance at 1.1.2012 $'000	Exchange translation difference $'000	Additions $'000	Reclassifi-cation/ transfers $'000	Disposals $'000	Balance at 31.12.2012 $'000
Cost						
Leasehold land	99,940	-	-	-	(1,480)	98,460
Land improvements	4,951	-	-	225	-	5,176
Landfill	4,590	-	-	(347)	(1)	4,242
Building and infrastructures	223,993	-	217	1,862	(9,032)	217,040
Golf course	25,307	-	-	-	-	25,307
Utilities plant and machinery	305,727	-	57	2,355	-	308,139
Machinery and equipment	55,079	-	-	3,449	-	58,528
Vessels and ferry equipment	51,245	-	259	168	(196)	51,476
Working wharf	1,685	-	-	-	-	1,685
Transportation equipment and vehicles	6,949	-	136	(840)	(254)	5,991
Medical equipment	797	-	22	-	-	819
Furniture, fixtures and equipment	28,411	-	361	853	(4,495)	25,130
Office equipment	5,813	-	88	(241)	(1,253)	4,407
Resort equipment	2,286	-	48	734	(659)	2,409
Reservoir	13,461	-	-	(3,748)	-	9,713
Telecommunications equipment	11,700	-	478	180	-	12,358
Leasehold improvements	1,032	-	-	-	-	1,032
Construction-in-progress	4,260	(24)	11,372	(6,200)	-	9,408
Total	847,226	(24)	13,038	(1,550)	(17,370)	841,320

5 Property, plant and equipment (Cont'd)

The Group	Balance at 1.1.2012 $'000	Exchange translation difference $'000	Depreciation for the year $'000	Reclassification/ transfers $'000	Disposals $'000	Balance at 31.12.2012 $'000
Accumulated depreciation						
Leasehold land	30,809	-	1,793	-	(268)	32,334
Land improvements	3,269	-	248	225	-	3,742
Landfill	1,876	-	288	(347)	(1)	1,816
Building and infrastructures	152,246	8	9,635	1,304	(6,307)	156,886
Golf course	9,758	-	544	-	-	10,302
Utilities plant and machinery	215,543	-	11,015	-	-	226,558
Machinery and equipment	49,760	-	1,279	1,490	-	52,529
Vessels and ferry equipment	22,917	-	3,077	90	(188)	25,896
Working wharf	1,685	-	-	-	-	1,685
Transportation equipment and vehicles	6,265	2	308	(1,009)	(243)	5,323
Medical equipment	716	-	17	-	-	733
Furniture, fixtures and equipment	22,571	10	1,458	(216)	(4,414)	19,409
Office equipment	4,509	-	467	(242)	(1,234)	3,500
Resort equipment	2,075	-	61	750	(637)	2,249
Reservoir	7,249	-	353	(2,124)	-	5,478
Telecommunications equipment	7,281	244	529	-	-	8,054
Leasehold improvements	1,032	-	-	-	-	1,032
Total	539,561	264	31,072	(79)	(13,292)	557,526

The Group	Balance at 31.12.2012 $'000	Balance at 1.1.2012 $'000
Net book value		
Leasehold land	66,126	69,131
Land improvements	1,434	1,682
Landfill	2,426	2,714
Building and infrastructures	60,154	71,747
Golf course	15,005	15,549
Utilities plant and machinery	81,581	90,184
Machinery and equipment	5,999	5,319
Vessels and ferry equipment	25,580	28,328
Working wharf	-	-
Transportation equipment and vehicles	668	684
Medical equipment	86	81
Furniture, fixtures and equipment	5,721	5,840
Office equipment	907	1,304
Resort equipment	160	211
Reservoir	4,235	6,212
Telecommunications equipment	4,304	4,419
Leasehold improvements	-	-
Construction-in-progress	9,408	4,260
Total	283,794	307,665

5 Property, plant and equipment (Cont'd)

(i) As at 31 December 2013, certain property, plant and equipment with carrying value totalling approximately $44,173,000 (2012 - $331,000) have been pledged as security to banks to secure borrowing and credit facilities for the Group (Note 18 (iii)).

(ii) The carrying amount of transportation equipment and vehicles held under finance leases at 31 December 2013 amounted to $1,792,000 (2012 - $ 198,000) (Note 18 (iv)).

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

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

HGB	Expiration date
Land parcels AU1	13 December 2023 (66 ha)
Land parcels BT1a	16 February 2025 (70.95 ha)
Land parcels WR1	16 February 2025 (1,560 ha)

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

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

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

HGB	Expiration date
PT Bintan Inti Industrial Estate (269.6 ha excluding land sold)	24 August 2025 (260.08 ha) and 13 December 2023 (9.52 ha)

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

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

HGB	Expiration date
PT Indomobil Sukses Internasional Tbk. and its subsidiaries	6 February 2014 to 23 May 2042 (97.62 ha)

5 Property, plant and equipment (Cont'd)

As at 31 December 2013, construction-in-progress at the Industrial Parks amounting to $1,757,000 (2012 - $2,890,000) includes all costs related to the construction of the industrial complex and supporting infrastructures and amenities. The accumulated costs will be transferred to the appropriate property and equipment and investment property accounts upon completion of the specific phases of the Project.

As at 31 December 2013, construction-in-progress at the Executive Village amounting to $992,000 (2012 - $1,242,000) represents all preliminary costs related to the construction of condominium and for golf course such as design, soil investigation and consultation fee.

As at 31 December 2013, construction-in-progress of PT IMAS and its subsidiaries amounting to $17,967,000 (2012 - $Nil) represents all preliminary costs related to the construction of buildings and improvement and vehicles.

The remaining balance of construction-in-progress represents mainly all preliminary costs related to the construction of urban beach centre in Bintan Island which amounted to $5,107,000 (2012 - $5,276,000).

6 Investment properties

The Group	**2013**	2012
	$'000	$'000
Cost		
Balance at beginning of year	**569,620**	573,822
Additions	**379**	39
Disposals	**-**	(5,678)
Transfer from construction-in-progress	**1,322**	1,437
Balance at end of year	**571,321**	569,620
Accumulated depreciation		
Balance at beginning of year	**362,340**	341,385
Depreciation for the year	**22,490**	22,458
Disposals	**-**	(1,503)
Balance at end of year	**384,830**	362,340
Net book value	**186,491**	207,280
Rental income	**27,621**	29,156
Direct operating expenses arising from investment property that generated rental income (Note 29)	**(23,573)**	(23,709)
Gross profit arising from investment properties	**4,048**	5,447

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

Description and location	Gross Area (approximately)
Factories, dormitories, commercial complex and housing in Batamindo Industrial Park, Batamindo Executive Village and Bintan Inti Industrial Estate situated at Batam Island and Bintan Island	813,421 sqm

6 Investment properties (Cont'd)

As of 31 December 2013, the fair value of the investment properties of $459,194,000 was based on valuation using the income approach/cost approach by independent professional valuers, KJPP Rengganis, Hamid & Rekan after taking into consideration the prevailing market conditions and other factors considered appropriate by the Directors, except for PT Batamindo Executive Village (PT BEV)'s investment properties. The net carrying values of BEV's investment properties as of 31 December 2013 amounted to $11,737,000 (2012 - $12,592,000) which approximates fair value based on management's estimates.

7 Subsidiaries

The Company	2013 $'000	2012 $'000
- quoted equity securities (market value - 2013: S$1,006,094,000; 2012: S$ Nil)	**1,349,384**	-
- unquoted equity securities	**1,207,876**	1,207,642
	2,557,260	1,207,642

On 2 May 2013, the company acquired 52.35% of PT Indomobil Sukses Internasional Tbk and additional 19.14% on 2 August 2013 through the Mandatory Tender Offer ("MTO"). Please refer to the Note 33.

The subsidiaries as at 31 December 2013 are as follows:

Name of subsidiaries	Country of incorporation/ principal place of business	Cost of investment		Percentage of effective interest		Principal activities
		2013	2012	**2013**	2012	
Directly held		**$'000**	$'000	**%**	%	
PT Batamindo Investment Cakrawala ("PT BIC") (1)	Indonesia	463,663	**463,663**	**99.99**	99.99	Development and management of industrial estate
Verizon Resorts Limited ("VRL") (2)	Malaysia	**613,341**	613,341	**100**	100	Investment holding
PT Bintan Inti Industrial Estate ("PT BIIE") (1) (d)	Indonesia	**117,439**	117,439	**100**	100	Development, operation, maintenance and management of Bintan Industrial Estate together with the supporting infrastructure support activities
PT Bintan Resort Cakrawala ("PT BRC") (1) (e)	Indonesia	**5,569**	5,569	**86.77**	86.77	Development and operation of a tourism area in Bintan including the sale of land in such area

7 Subsidiaries (Cont'd)

Name of subsidiaries	Country of incorporation/ principal place of business	Cost of investment 2013 $'000	Cost of investment 2012 $'000	Percentage of effective interest 2013 %	Percentage of effective interest 2012 %	Principal activities
Directly held (cont'd)						
Bintan Resort Ferries Private Limited ("BRF") (4) (f)	Singapore	**5,200**	5,200	**90.74**	90.74	Provision of ferry services between Singapore and Bintan
Win Field Ltd (5)	British Virgin Islands	**-**	-	**100**	100	Investment holding
PT Indomobil Sukses Internasional Tbk ('PT IMAS") (6)(n)	Indonesia	**1,349,384**	-	**71.49**	-	Investment holding
PT Bintan Aviation Investments ("PT BAI") (b)(12)	Indonesia	**234**	-	**90**	-	Management and consultancy services
Indirectly held through PT BIC						
PT Batamindo Executive Village ("PT BEV") (1)	Indonesia	-	**-**	**60**	60	Development and operation of Southlinks Country Club and Batam Executive Village, an integrated complex consisting of golf course, condominiums, cottages and other social facilities
PT Batam Bintan Telekomunikasi ("PT BBT") (1)	Indonesia	**-**	-	**95**	95	Telecommunications service provider
Batamindo Medical Management Pte Ltd (a)	Singapore	**-**	-	**-**	100	Dormant
Indirectly held through VRL						
PT Surya Bangunpertiwi ("PT SBP") (3)	Indonesia	**-**	-	**99.99**	99.99	Wholesaler of hotels, resorts and golf courses

7 Subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation/ principal place of business	Cost of investment 2013 $'000	Cost of investment 2012 $'000	Percentage of effective interest 2013 %	Percentage of effective interest 2012 %	Principal activities
Indirectly held through VRL (cont'd)						
PT Buana Megawisatama ("PT BMW") (3)	Indonesia	**-**	-	**99.99**	99.99	Wholesaler of hotels, resorts and golf courses, resort development activities and business management consultancy
PT Suakajaya Indowahana ("PT SI") (3) (g)	Indonesia	**2,430**	**2,430**	**100**	100	Trading, industry, development and services
Batamindo Investment (S) Ltd ("BIS") (4)	Singapore	**-**	-	**100**	100	Management consultancy services
Bintan Resorts International Pte. Ltd. ("BRI") (4)	Singapore	**-**	-	**100**	100	Marketing and providing support services to PT BRC and PT BMW
Golf View Limited (5)	Seychelles	**-**	-	**100**	100	Investment holding
Crystal Grace International Ltd (5)	British Virgin Islands	**-**	-	**100**	100	Investment holding
Treasure Home Ltd (5)	British Virgin Islands	**-**	-	**100**	100	Investment holding
Starhome Ltd (5)	British Virgin Islands	**-**	-	**100**	100	Investment holding
Indirectly held through PT BMW						
BU Holding Pte Ltd (4)	Singapore	**-**	-	**100**	100	Investment holding
Lagoi Dreams Limited (5)	British Virgin Islands	**-**	-	**100**	100	Investment holding
PT Taman Indah ("PT TI)(3)	Indonesia	**-**	-	**100**	100	Housing and office development and building management
Indirectly held through Winfield Ltd						
Bintan Power Pte. Ltd. (11)	Singapore	**-**	-	**100**	100	Dormant

7 Subsidiaries (Cont'd)

Name of subsidiaries	Country of incorporation/ principal place of business	Cost of investment		Percentage of effective interest		Principal activities
		2013	2012	**2013**	2012	
Indirectly held through PT IMAS		**$'000**	$'000	**%**	%	
PT Multicentral Aryaguna ("PT MCA")[(3) (n)]	Indonesia	**-**	-	**71.49**	-	Rental and building management
PT Indomobil Wahana Trada ("PT IWT")[(7) (n)]	Indonesia	**-**	-	**71.49**	-	Dealership
PT IMG Sejahtera Langgeng ("PT IMGSL")[(8)(k) (n)]	Indonesia	**-**	-	**71.48**	-	Investment holding
PT Central Sole Agency ("PT CSA")[(3)(j) (n)]	Indonesia	**-**	-	**71.48**	-	Importer of Volvo sedan and spare parts, distributor of "IndoParts"
PT National Assemblers ("PT NA")[(3) (n)]	Indonesia	**-**	-	**71.41**	-	Assembling
PT Unicor Prima Motor ("PT UPM")[(9) (n)]	Indonesia	**-**	-	**68.97**	-	Hino distributor
PT Rodamas Makmur Motor ("PT RMM")[(10) (n)]	Indonesia	**-**	-	**64.34**	-	Dealership
PT Indomobil Multi Jasa Tbk ("PT IMJ")[(6)(h) (n)]	Indonesia	**-**	-	**64.06**	-	Financing and car rental
PT Indomatsumoto Press & Dies Industries ("PT IMAT")[(9) (n)]	Indonesia	**-**	-	**36.46**	-	Press and dies manufacturing
PT Indomobil Finance Indonesia ("PT IMFI")[(6) (n)]	Indonesia	**-**	-	**64.06**	-	Financing
PT CSM Corporatama ("PT CSM")[(6) (n)]	Indonesia	**-**	-	**64.06**	-	Car rental
PT Indomobil Bintan Corpora ("PT IBC")[(6) (n)]	Indonesia	**-**	-	**64.06**	-	Car rental
PT Wahana Indo Trada Mobilindo ("PT WITM")[(6) (n)]	Indonesia	**-**	-	**64.06**	-	Car rental

7 Subsidiaries (Cont'd)

Name of subsidiaries	Country of incorporation/ principal place of business	Cost of investment		Percentage of effective interest		Principal activities
		2013	2012	**2013**	2012	
Indirectly held through PT IMAS (cont'd)		**$'000**	$'000	**%**	%	
PT Kharisma Muda ("PT KMA")(6) (n)	Indonesia	**-**	-	**64.06**	-	Car rental
PT Lippo Indorent ("PT LIPINDO")(6) (n)	Indonesia	**-**	-	**38.43**	-	Gas station
PT Indomurayama Press & Dies Industries ("PT IMUR")(9) (n)	Indonesia	**-**	-	**71.48**	-	Press and dies manufacturing
PT Wahana Inti Central Mobilindo ("PT WICM")(9) (n)	Indonesia	**-**	-	**71.48**	-	Dealership
PT Indomobil Multi Trada ("PT IMT")(9) (n)	Indonesia	**-**	-	**71.48**	-	Dealership - Suzuki
PT Garuda Mataram Motor ("PT GMM")(3) (n)	Indonesia	**-**	-	**71.27**	-	Distributor
PT Indobuana Autoraya ("PT IBAR")(3) (n)	Indonesia	**-**	-	**61.37**	-	Volvo, Foton distributor
PT Marvia Multi Trada ("PT MMT")(11) (n)	Indonesia	**-**	-	**57.18**	-	Manufacturing
PT Kyokuto Indomobil Distributor Indonesia ("PT KIDI")(9) (n)	Indonesia	**-**	-	**36.45**	-	Distributor
PT Indotama Maju Sejahtera("PT IMS")(11) (n)	Indonesia	**-**	-	**35.75**	-	Dormant
PT Wahana Inti Selaras ("PT WISEL")(8)(i) (n)	Indonesia	**-**	-	**71.48**	-	Sole agent of Volvo truck and Mack trucks
PT Wangsa Indra Permana ("PT WIP")(3) (n)	Indonesia	**-**	-	**71.33**	-	Dealership
PT Indotruck Utama ("PT ITU")(8) (n)	Indonesia	**-**	-	**53.61**	-	Distributor
PT Eka Dharma Jaya Sakti ("PT EDJS")(8) (n)	Indonesia	**-**	-	**42.89**	-	Trading - Renault & Volvo Trucks
PT Prima Sarana Gemilang ("PT PSG")(8) (n)	Indonesia	**-**	-	**42.89**	-	Mining, exploration, exploitation

7 Subsidiaries (Cont'd)

Name of subsidiaries	Country of incorporation/ principal place of business	Cost of investment		Percentage of effective interest		Principal activities
		2013	2012	**2013**	2012	
Indirectly held through PT IMAS (cont'd)		**$'000**	$'000	**%**	%	
PT Indomobil Sugiron Energi ("PT ISE")(11) (n)	Indonesia	**-**	-	**36.45**	-	Trading of Fuel
PT Makmur Karsa Mulia ("PT MKM")(11)(i) (n)	Indonesia	**-**	-	**36.45**	-	Forestry contractor
PT Indo Taktor Utama ("PT INTRAMA")(8) (n)	Indonesia	**-**	-	**42.89**	-	Trading
PT Indo Auto Care ("PT IAC")(3) (n)	Indonesia	**-**	-	**36.45**	-	Trading
PT Autobacs Indomobil Indonesia ("PT AIMI")(11)(j) (n)	Indonesia	**-**	-	**36.45**	-	Trading
PT Furukawa Indomobil Battery Sales ("PT FIBS")(c)(m) (11) (n)	Indonesia	**-**	-	**36.45**	-	Trading
PT Indomobil Prima Niaga ("PT IPN")(9) (n)	Indonesia	**-**	-	**68.99**	-	Dealership
PT Indomobil Cahaya Prima ("PT ICP")(9) (n)	Indonesia	**-**	-	**35.17**	-	Dealership
PT Indomobil Sumber Baru ("PT ISB")(9) (n)	Indonesia	**-**	-	**34.83**	-	Dealership
PT Indomobil Trada Nasional ("PT ITN")(10) (n)	Indonesia	**-**	-	**71.49**	-	Dealership
PT Wahana Wirawan ("PT WW")(8) (n)	Indonesia	**-**	-	**71.49**	-	Dealership
PT Wahana Prima Trada Tangerang ("PT WPTT")(8) (n)	Indonesia	**-**	-	**67.84**	-	Dealership
PT Wahana Wirawan Manado ("PT WWM")(8) (n)	Indonesia	**-**	-	**71.48**	-	Dealership
PT IMG Bina Trada ("PT IMGBT")(8) (n)	Indonesia	**-**	-	**70.78**	-	Workshop
PT Auto Euro Indonesia ("PT AEI)(8) (n)	Indonesia	**-**	-	**71.49**	-	Distributor

7 Subsidiaries (Cont'd)

Name of subsidiaries	Country of incorporation/ principal place of business	Cost of investment		Percentage of effective interest		Principal activities
		2013	2012	**2013**	2012	
Indirectly held through PT IMAS (cont'd)		**$'000**	$'000	**%**	%	
PT Wahana Indo Trada ("PT WIT")(8) (n)	Indonesia	**-**	-	**70.25**	-	Dealership
PT Wahana Wirawan Palembang ("PT WWP")(8) (n)	Indonesia	**-**	-	**70.78**	-	Dealership
PT Wahana Niaga Lombok ("PT WNL")(8) (n)	Indonesia	**-**	-	**39.32**	-	Dealership
PT United Indo Surabaya ("PT UIS")(8) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Sumber Baru Yogya ("PT WSBY")(10) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Meta Riau ("PT WMR")(8) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Sumber Trada Tangerang ("PT WSTT")(8) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Rejeki Mobilindo Cirebon ("PT WRMC")(10) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Megahputra Makassar ("PT WMPM")(8) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Senjaya Jakarta ("PT WSJ")(8) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Persada Jakarta ("PT WPJ")(8) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Sumber Lestari Samarinda ("PT WSLS")(8) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Inti Nusa Pontianak ("PT WINP")(8) (n)	Indonesia	**-**	-	**36.46**	-	Dealership

7 Subsidiaries (Cont'd)

Name of subsidiaries	Country of incorporation/ principal place of business	Cost of investment		Percentage of effective interest		Principal activities
		2013	2012	**2013**	2012	
Indirectly held through PT IMAS (cont'd)		**$'000**	$'000	**%**	%	
PT Wahana Lestari Balikpapan ("PT WLB")(8) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Adidaya Kudus ("PT WAK")(8) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Jaya Indah Jambi ("PT WJIJ")(8) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Jaya Tasikmalaya ("PT WJT")(8) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Sumber Mobil Yogya ("PT WSMY")(10) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Wahana Investindo Salatiga ("PT WIS")(11) (n)	Indonesia	**-**	-	**36.46**	-	Dealership
PT Indosentosa Trada ("PT IST")(10) (n)	Indonesia	**-**	-	**36.10**	-	Dealership
PT Wahana Trans Lestari Medan ("PT WTLM")(8) (n)	Indonesia	**-**	-	**36.10**	-	Dealership
PT Wahana Sun Motor Semarang ("PT WSMS")(10) (n)	Indonesia	**-**	-	**36.10**	-	Dealership
PT Wahana Sun Hutama Bandung ("PT WSHB")(10) (n)	Indonesia	**-**	-	**36.10**	-	Dealership
PT Wahana Sun Solo ("PT WSS")(10) (n)	Indonesia	**-**	-	**36.10**	-	Dealership
PT Wahana Persada Lampung ("PT WPL")(8) (n)	Indonesia	**-**	-	**36.10**	-	Dealership
PT Wahana Delta Prima Banjarmasin ("PT WDPB")(8) (n)	Indonesia	**-**	-	**36.10**	-	Dealership

7 Subsidiaries (Cont'd)

Name of subsidiaries	Country of incorporation/ principal place of business	Cost of investment		Percentage of effective interest		Principal activities
		2013	2012	**2013**	2012	
Indirectly held through PT IMAS (cont'd)		**$'000**	$'000	**%**	%	
PT Wahana Sugi Terra ("PT WST")(11)(l) (n)	Indonesia	**-**	-	**35.75**	-	Dealership
		2,557,260	1,207,642			

(a) Batamindo Medical Management Pte Ltd ("BMM") has been struck off the Register of Companies with effect from 8 January 2013.

(b) During the year, the Company has incorporated PT Bintan Aviation Investments ("PT BAI") in Indonesia.

(c) During the year, the Company's subsidiary, PT CSA, has incorporated PT Furukawa Indomobil Battery Sales.

(d) The Company has an interest of 40% in PT BIIE and the balance of 60% is held by PT BIC.

(e) The Company has a direct interest of 3.69% in PT BRC, while a subsidiary, VRL, has an interest of 67.83% in PT BRC, and another subsidiary, PT SI, has an interest of 15.25% in PT BRC. The effective interest of equity held by the Group is 86.77%.

(f) The Company has a direct interest of 30% in BRF whilst its subsidiary, PT BRC, has an interest of 70%. The effective interest of equity held by the Group is 90.74%.

(g) The Company has a direct interest of 20% in PT SI whilst its subsidiary, VRL, has an interest of 80%.

(h) During the year, PT IMJ list their shares in Indonesia Stock Exchange.

(i) Effective on 21 May 2013, PT WISEL purchased 51% shares of PT MKM.

(j) Effective on 1 August 2013, PT AIMI was established by CSA and Autobacs Seven Co., Ltd.

(k) Effective on 19 July 2013, all PT IMGSL ownership in PT INTRAMA was sold and transferred to WISEL. Therefore, PT INTRAMA was consolidated by WISEL.

(l) Effective on 16 September 2013, a new company namely PT WST was established which is owned by PT WW 50%.

(m) Effective on 4 December 2013, a new company namely FIBS was established which is owned by CSA.

(n) During the year, the Company acquired 71.49% of PT IMAS and indirectly has an effective interest in all its subsidiaries.

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

(2) Audited by Crowe Horwath (Labuan) LLP

7 Subsidiaries (Cont'd)

(3) Audited by Drs Johan Malonda Mustika & Rekan

(4) Audited by Foo Kon Tan Grant Thornton LLP

(5) Not required to be audited by law in the country of incorporation

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

(7) Audited by Y. Santosa & Rekan

(8) Audited by Sukrisno Sarwoko & Sandjaja

(9) Audited by Paul Hadiwinata, Hidajat, Arsono, Ade Fatma & Rekan (PKF)

(10) Audited by Hendrawinata Eddy & Siddharta

(11) Unaudited due to the Company is dormant

(12) Unaudited due to the Company is newly incorporated during the year

Shares held in PT BIC and PT IMAS have been pledged as securities for bank borrowings (Note 18 (iii)).

8 Associates

The Group	**2013**	2012
	$'000	$'000
Unquoted equity investments, at cost		
Beginning of the year	**14,709**	14,709
Acquisition of subsidiaries (Note 33)	**171,452**	-
Additions during the year	**37,181**	-
Disposal during the year	**(523)**	-
	222,819	14,709
Exchange translation difference	**(35,236)**	(42)
Share of post-acquisition reserves	**5,853**	2,529
	193,436	17,196

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group is as follows:

The Group	**2013**	2012
	$'000	$'000
Current assets	**1,108,607**	1,415
Non-current assets	**342,268**	35,625
Current liabilities	**(667,793)**	(1,396)
Non-current liabilities	**(80,481)**	-
Revenue	**2,534,776**	8,360
Net profit	**20,249**	293
Dividends	**(7,910)**	(400)

8 Associates (Cont'd)

The associates as at 31 December 2013 are as follows:

Name	Country of incorporation/ principal place of business	Percentage of effective interest		Principal activities
		2013	2012	
Held by PT BIC		**%**	%	
PT Soxal Batamindo Industrial Gases (1)	Indonesia	**30**	30	Production and sale of industrial gases
Batamindo Carriers Pte Ltd (2)	Singapore	**36**	36	Provision of ship and boat chartering services
Gallant Power and Resources Limited (3) (4)	British Virgin Islands	**49**	49	Investment holding
Held by PT IMAS				
PT Car & Cars Indonesia (9)	Indonesia	**32.03**	-	Distributor
PT Indo VDO Instrument (9)	Indonesia	**35.75**	-	Speedometer manufacturing
PT Indo Citra Sugiron (9)	Indonesia	**35.75**	-	Distributor
PT Indo Trada Sugiron (6)	Indonesia	**35.75**	-	Oil distributor
PT Gunung Ansa (9)	Indonesia	**35.74**	-	Land rental
PT Kyokuto Indomobil Manufacturing Indonesia (6)	Indonesia	**35.03**	-	Manufacturing
PT Hino Motor Sales Indonesia (1)	Indonesia	**28.60**	-	Distributor
PT Nissan Motor Indonesia (1)	Indonesia	**17.87**	-	Manufacturing
PT Nissan Motor Distributor Indonesia (1)	Indonesia	**17.87**	-	Distributor
PT Jideco Indonesia (7)	Indonesia	**17.87**	-	Vehicle parts manufacturing
PT Swadharma Indotama Finance (8)	Indonesia	**17.56**	-	Financing
PT Sumi Indo Wiring Systems (10)	Indonesia	**14.66**	-	Manufacturing
PT Vantec Indomobil Logistics (9)	Indonesia	**14.30**	-	Logistics
PT Indo Masa Sentosa (9)	Indonesia	**21.45**	-	Consulting services
PT Nissan Financial Services Indonesia (1)	Indonesia	**16.01**	-	Financing
PT Furukawa Indomobil Battery Manufacturing (9)	Indonesia	**35.03**	-	Manufacturing

8 Associates (Cont'd)

Name	Country of incorporation/ principal place of business	Percentage of effective interest		Principal activities
		2013	2012	
		%	%	
Held by PT SI				
Bintan Resort Management Pte Ltd [5]	Singapore	-	40	Dormant

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

(2) Audited by KPMG, Singapore

(3) Not required to be audited in the country of incorporation

(4) In 2008, the Company's wholly-owned subsidiary, VRL incorporated Gallant Power and Resources Limited ("GPR"). On 20 July 2009, VRL transferred its 100 shares (US$100) of GPR to PT BIC and subsequently, PT BIC increased its ownership in GPR by issuing additional 19,999,900 ordinary shares (US$19,999,900). GPR also entered into a Joint Venture with Salim Group to subscribe for a US$20 million Convertible Bond issued by PT Sebuku Iron Lateritic Ores - an iron-ore and coal mining company in Kalimantan island, Indonesia. The Joint Venture shareholders are Salim Group's Top Union (49%), Salim Group's Dornier Profits (2%) and PT BIC (49%).

(4) On 24 August 2009, Top Union and Dornier Profits exercised the put/call option and acquired their 49% and 2%, respectively, stake in GPR.

(5) Bintan Resort Management Pte Ltd has been struck off the Register of Companies with effect from 6 March 2013

(6) Audited by Paul Hadiwinata, Hidajat, Arsono, Ade Fatma & Rekan (PKF)

(7) Audited by Sukrisno Sarwoko & Sandjaja

(8) Audited by Johan Malonda Mustika & Rekan

(9) Unaudited due to the company is dormant

(10) Audited by KPMG, Indonesia

9 Financing receivables

This account consist of financing receivables owned by subsidiaries engaged in financial services.

The Group	2013 $'000	2012 $'000
Current		
Net investment in financing leases	139,708	-
Consumer financing receivables - net	166,551	-
	306,259	-
Non-Current		
Net investment in financing leases	217,580	-
Consumer financing receivables - net	128,897	-
	346,477	-
	652,736	-

(a) Consumer financing receivables-net

The Group	2013 $'000	2012 $'000
Third Parties		
Consumer financing receivables	354,796	-
Unearned consumer financing income	(55,235)	-
	299,561	-
Related parties		
Consumer financing receivables	303	
Unearned consumer financing income	(20)	-
	283	-
Total	299,844	-
Less allowance for impairment losses	(4,396)	-
Consumer financing receivables - net	295,448	-

The instalment schedule of consumer financing receivables by maturity period is as follows:

	2013 $'000	2012 $'000
Third Parties		
Due:		
1 – 30 days	3,685	-
31 – 60 days	2,453	-
More than 60 days	1,649	-
Not yet due:		
2013	195,236	-
2014	99,450	-
2015	40,573	-
2016 and thereafter	11,749	-
	354,795	
Related parties		
Not yet due:		
2013	303	-
	303	-
	355,098	-

9 Financing receivables (Cont'd)

(b) Net investment in financing leases

	2013 $'000	2012 $'000
Third parties		
Direct financing lease receivables	**422,798**	-
Residual value	**146,260**	-
Unearned lease income	**(60,217)**	-
Security deposits	**(146,260)**	-
Total net investment in financing leases - third parties	**362,581**	-
Less allowance for impairment of financing lease receivables	**(5,293)**	-
Net investment in direct financing leases - net	**357,288**	-

The instalment schedule of net investment in financing leases by maturity period is as follows:

	2013 $'000	2012 $'000
Due:		
1 – 30 days	**2,391**	-
31 – 60 days	**1,460**	-
More than 60 days	**648**	-
Not yet due:		
2013	**170,228**	-
2014	**146,092**	-
2015	**91,551**	-
2016 and thereafter	**10,428**	-
	422,798	-

The effective interest rates of consumer financing receivables in Indonesian Rupiah are ranging from 8.40% to 36% and 7.98% to 9.85% in US dollar as of 31 December 2013 (2012: Nil %).

The effective interest rates of net investment in financing leases in Indonesian Rupiah are ranging from 8.40% to 15.83% and 7.25% to 9.38% in US dollar as of 31 December 2013 (2012: Nil %).

Financing receivables amounting to $276 million at 31 December 2013 (2012 - $Nil) have been pledged as security for borrowings (Note 18 (iii)).

(c) Movements in the allowance for impairment of consumer financing receivable are as follows:

	2013 $'000	2012 $'000
Beginning of the year	**-**	-
Allowance for impairment as at date of acquisition	**4,748**	-
Allowance for the year	**13,268**	-
Written off during the year	**(13,620)**	-
	4,396	-

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

9 Financing receivables (Cont'd)

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

Movements in the allowance for impairment of net investment in financing leases are as follows:

	2013	2012
	$'000	$'000
Beginning of the year	**-**	-
Allowance for impairment as at date of acquisition	**1,038**	-
Provision made during the year	**4,255**	-
	5,293	-

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

(d) The consumer financing receivable are denominated in the following currencies:

	2013	2012
	$'000	$'000
Indonesian Rupiah	**280,867**	-
United State dollar	**14,581**	-
	295,448	-

(e) The net investment in financing leases are denominated in the following currencies:

	2013	2012
	$'000	$'000
Indonesian Rupiah	**153,758**	-
United State dollar	**203,530**	-
	357,288	-

10 Deferred taxation

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

The Group	Balance at 1 January 2013, as restated $'000	Credited/ (charged) to profit or loss (Note 30) $'000	Acquisition/ disposal of subsidiaries (Note 33) $'000	Charge to OCI for the year $'000	Foreign exchange difference $'000	Balance at 31 December 2013 $'000
Deferred tax assets						
Fiscal loss net of expired tax loss	**4,681**	**11,348**	**14,688**	**-**	**(2,813)**	**27,904**
Estimated liability for employee service entitlements	**1,576**	**617**	**2,364**	**(336)**	**(699)**	**3,522**
Allowance for doubtful debts	**(150)**	**(223)**	**734**	**-**	**(133)**	**228**
Allowance for impairment loss of investments	**2,500**	**(2,500)**	**3,117**	**-**	**(566)**	**2,551**
Valuation allowance	**(3,867)**	**2,821**	**-**	**-**	**-**	**(1,046)**
Property, plant and equipment	**(761)**	**(1,735)**	**(3,524)**	**-**	**769**	**(5,251)**
Foreclosed and intangible assets	**-**	**39**	**496**	**-**	**(90)**	**445**
Lease transaction	**-**	**905**	**6,954**	**-**	**(1,263)**	**6,596**
Others	**-**	**(50)**	**(146)**	**-**	**27**	**(169)**
	3,979	**11,222**	**24,683**	**(336)**	**(4,768)**	**34,780**
Deferred tax liabilities						
Fiscal loss net of expired tax loss	**1,054**	**(184)**	**-**	**-**	**(155)**	**715**
Estimated liability for employee service entitlements	**484**	**(35)**	**53**	**(36)**	**(64)**	**402**
Property, plant and equipment	**(3,257)**	**(130)**	**(204)**	**-**	**516**	**(3,075)**
Allowance for doubtful debts	**139**	**(76)**	**-**	**-**	**-**	**63**
Interest income	**(309)**	**308**	**-**	**-**	**-**	**(1)**
Others	**-**	**(1,100)**	**(1,929)**	**-**	**350**	**(2,679)**
	(1,889)	**(1,217)**	**(2,080)**	**(36)**	**647**	**(4,575)**

The Group	Balance at 1 January 2012, as previously reported $'000	Effect of amendment to FRS 19	Balance at 1 January 2012, as restated	Credited/ (charged) to profit or loss (Note 30) $'000	Charge to OCI for the year $'000	Foreign exchange difference $'000	Balance at 31 December 2012, as restated $'000
Deferred tax assets							
Fiscal loss net of expired tax loss	4,790	-	4,790	-	-	(109)	4,681
Estimated liability for employee service entitlements	886	469	1,355	(131)	485	(133)	1,576
Allowance for doubtful debts	600	312	912	(1,062)	-	-	(150)
Allowance for impairment loss of investments	2,500	-	2,500	-	-	-	2,500
Valuation allowance	(3,867)	-	(3,867)	-	-	-	(3,867)
Property, plant and equipment	(711)	(544)	(1,255)	424	-	70	(761)
	4,198	237	4,435	(769)	485	(172)	3,979

10 Deferred taxation (cont'd)

The Group	Balance at 1 January 2012, as previously reported $'000	Effect of amendment to FRS 19 $'000	Balance at 1 January 2012, as restated $'000	Credited/ (charged) to profit or loss (Note 30) $'000	Charge to OCI for the year $'000	Foreign exchange difference $'000	Balance at 31 December 2012, as restated $'000
Deferred tax liabilities							
Fiscal loss net of expired tax loss	1,110	-	1,110	60	-	(116)	1,054
Estimated liability for employee service entitlements	378	(169)	209	255	45	(25)	484
Property, plant and equipment	(3,363)	541	(2,822)	(745)	-	310	(3,257)
Allowance for doubtful debts	313	(312)	1	138	-	-	139
Interest income	(520)	-	(520)	211	-	-	(309)
	(2,082)	60	(2,022)	(81)	45	169	(1,889)

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

The Company	Balance at 1 January 2012 $'000	Charged/ (credited) to profit or loss $'000	Foreign exchange difference $'000	Balance at 31 December 2012 $'000
Deferred tax liabilities				
Fiscal loss net of expired tax loss	124	60	-	184
Property, plant and equipment	(16)	13	-	(3)
Interest income	(519)	211	-	(308)
	(411)	284	-	(127)

11 Other non-current assets

	Note	The Company 2013 $'000	The Company 2012 $'000	The Group 2013 $'000	The Group 2012 $'000
Unquoted investment in shares of stock					
- at cost					
Beginning of the year		-	-	10,000	10,000
Acquisition of subsidiaries	33	-	-	33,042	-
Addition during the year		-	-	4	-
Translation difference		-	-	(6,003)	-
				37,043	10,000
- allowance for impairment losses	(i)	-	-	(10,000)	(10,000)
		-	-	27,043	-
Quoted investment in shares of stock					
Beginning of the year		-	-	-	-
Acquisition of subsidiaries	33	-	-	94,906	-
Fair value reserve		-	-	(7,191)	-
Translation difference		-	-	(15,595)	-
	(ii)	-	-	72,120	-
Derivative assets	24	-	-	51,437	-
Loan receivable	(iii)	-	-	47,500	47,500
Note receivables	(iv)	6,343	6,119	260,683	260,459
Golf membership	(v)				
Interest receivable from		-	-	1,680	1,680
notes receivable	(iv)	2,609	1,943	98,751	73,100
Estimated claims for tax refund					
Restrictive cash in banks and		-	-	25,064	126
time deposits		-	-	905	-
Other receivables		-	-	19,448	5,436
Prepayment and deposits		188	-	1,395	644
		9,140	8,062	606,026	388,945

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

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

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

11 Other non-current assets (Cont'd)

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

On 3 September 2010, PT AIB made another repayment of principal and interest amounting to approximately $13,600,000 and reduced the balance of the convertible bond to $47,500,000. The tenure of the convertible bond has been extended to 31 December 2014, though it is expected to be recovered after that. The interest on the extended loan is at the rate of 4.6% above the SIBOR on a quarterly basis per annum.

The conversion of the loan receivable from PT AIB into PT AIB shares would result in VRL holding approximately 46.8% of the enlarged issued share capital of PT AIB. In that event, PT AIB will become an associate of VRL.

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

(iv) Market Strength Limited ("MSL")

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

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

It matures in February 2018 (previously December 2014).

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

Each warrant entitles the Group to subscribe for one new share in MSL at an exercise price for each new share equal to its par value. The exercise price for each warrant (which is subject to adjustment under certain circumstances) is US$1 and the aggregate exercise price for the warrants is US$202,500,000. Payment of the exercise price shall be made in cash or notes of principal amount equal to the full amount of the exercise price payable in respect of the warrants exercised, or a combination of both. At 31 December 2013, all the warrants remain unexercised.

Super Concord Holdings Limited

On 30 September 2010, the Company entered into an assignment agreement with MSL, whereas MSL agreed to assign US$5,000,000 notes receivable from Super Concord Holdings Limited to the Company as a discharge of MSL's debt to the Company. The notes bear interest at 9% per annum and are due on 1 December 2014.

11 Other non-current assets (Cont'd)

(v) Golf membership represents the value of non-refundable unsold golf membership. Due to the low market demand for golf membership, the Group wrote down the non-refundable membership to its recoverable amount. The recoverable amount is based on the published market price of the golf membership which is ranging from $5,000 to $8,000 for each golf membership as of 31 December 2013. (2012 - $7,000 to $8,000)

12 Land inventories

The Group	2013 $'000	2012 $'000
Land for sale, at cost	**597,092**	585,796

As at 31 December 2013, PT SBP's land inventories comprise 3,744 ha (2012 - 3,763 ha) with Building Use Right ("HGB"). Part of the land's HGB for 3,285 ha (2012: 3,304 ha) will expire in 30 years while the HGB of 459 ha has been extended and renewed for period of 80 years.

As at 31 December 2013, PT BMW's land inventories comprise 13,996 ha (2012 - 14,039 ha) of land with HGB certificates. Part of the land's HGB amounting to 12,118 ha (2012 - 12,161 ha) will expire in 30 years while the HGB of 1,878 ha (2012 - 1,878 ha) has been extended and renewed for a period of 80 years.

13 Other inventories

The Group	2013 $'000	2012 $'000
Finished/trading goods(1)	**373,814**	-
Work-in-progress	**1,226**	-
Raw and indirect materials	**5,907**	-
Spare parts	**55,649**	-
Inventories-in-transit	**28,589**	-
Fuel and lubrication oil	**6,311**	6,818
Consumables and supplies	**5,815**	6,046
Others	**3,348**	33
Allowance for inventories obsolescence	**(2,125)**	(1,577)
	478,534	11,320

In 2013, $174,000 (2012 - $8,000) was recognised to profit or loss as inventory obsolescence due to slow moving consumables and supplies.

Inventories amounting to $186 million at 31 December 2013 have been pledged as collateral for bank borrowing (Note 18 (i)).

(1) The finished/trading goods consist of automobiles, motorcycles and stamping dies.

14 Trade and other receivables

		The Company		The Group	
		2013	2012	**2013**	2012
	Note	**$'000**	$'000	**$'000**	$'000
Trade receivables					
- related parties		**-**	-	**29,742**	2,816
- external parties		**-**	-	**270,539**	51,839
Impairment of trade receivables		**-**	-	**(4,234)**	(5,544)
Net trade receivables	(i)	**-**	-	**296,047**	49,111
Other receivables:					
Refundable deposits		**43**	-	**46**	-
Prepayments		**1,092**	1,237	**54,621**	7,456
Amount owing by subsidiaries		**119,761**	122,578	**-**	-
Amount owing by related parties		**-**	-	**32,493**	2,640
Interest receivables		**-**	-	**9,867**	-
Derivative assets	24	**-**	-	**17,618**	-
Foreclosed assets	23	**-**	-	**3,893**	-
Others		**399**	670	**13,422**	-
		121,295	124,485	**131,960**	10,096
Impairment of other receivables		**-**	-	**(1,136)**	(875)
Net other receivables	(ii)	**121,295**	124,485	**130,824**	9,221
Total	(i) + (ii)	**121,295**	124,485	**426,871**	58,332

Trade and other receivables are denominated in the following currencies:

	The Company		The Group	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Singapore dollar	**121,295**	124,485	**82,952**	58,156
Indonesian rupiah	**-**	-	**260,207**	172
United States dollar	**-**	-	**76,006**	4
Euro	**-**	-	**5,670**	-
Swedish Krona	**-**	-	**2,036**	-
	121,295	124,485	**426,871**	58,332

The ageing of trade and other receivables as at 31 December 2013 is as follows:

The Group	**Gross amount 2013 $'000**	**Allowance for doubtful receivable 2013 $'000**	Gross amount 2012 $'000	Allowance for doubtful receivable 2012 $'000
Not past due	**293,236**	**-**	26,061	-
Past due 1 - 30 days	**44,431**	**-**	12,326	-
Past due 31 - 90 days	**28,837**	**-**	3,259	-
Past due more than 90 days	**61,844**	**(5,370)**	23,105	(6,419)
	428,348	**(5,370)**	64,751	(6,419)

14 Trade and other receivables (Cont'd)

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

The Group	2013 $'000	2012 $'000
At 1 January	(6,419)	(7,262)
Allowance as at date of acquisition	(961)	-
Allowance utilised	2,178	497
Allowance during the year	(268)	(131)
Reversal of allowance during the year	103	477
Translation differences	(3)	-
At 31 December	(5,370)	(6,419)

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

As at 31 December 2013, certain trade receivables amounting to approximately $800 million (2012 - $Nil) were pledged to banks to secure borrowing and credit facilities of the Group (Note 18 (iii)).

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

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

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

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

15 Cash and cash equivalents

	The Company		The Group	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Cash at bank and on hand	3,012	4,444	133,488	58,856
Time deposits	50	50	34,875	7,913
	3,062	4,494	168,363	66,769

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

	2013	2012
Singapore dollar	0.05%	0.05% - 0.25%
United States dollar	-	0.1%
Indonesian rupiah	4.5% - 12%	2.5% - 7%

15 Cash and cash equivalents (Cont'd)

The cash and cash equivalents are denominated in the following currencies:

	The Company		The Group	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Singapore dollar	**253**	4,343	**28,378**	45,536
United States dollar	**2,804**	148	**23,422**	8,716
Indonesian rupiah	**-**	-	**115,493**	12,513
Others	**5**	3	**1,070**	4
	3,062	4,494	**168,363**	66,769

16 Share capital

The Company and the Group	No. of ordinary share	Amount $'000
2013		
Issued and fully paid, with no par value		
Beginning of financial year	**2,412,482,556**	**1,207,642**
Shares issued	**2,412,482,556**	**675,495**
Share issue expenses	**-**	**(2,983)**
End of financial year	**4,824,965,112**	**1,880,154**
2012		
Issued and fully paid, with no par value		
Beginning and end of financial year	2,412,482,556	1,207,642

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

On 30 April 2013, the Company issued 2,412,482,556 ordinary shares for a total consideration of $675,495,116 for cash to fund the acquisition of PT IMAS. The newly issued shares rank pari passu in all respects with the previously issued shares.

The Company did not hold any treasury shares as at 31 December 2013 (2012 - Nil).

17 Reserves

		The Company		The Group		
		2013	2012	**2013**	2012	2012
	Note	**$'000**	$'000	**$'000**	$'000	$'000
					Restated	Restated
Capital reserve	(a)	**80,000**	-	**81,711**	-	-
Translation reserve	(b)	**-**	-	**(72,641)**	(2,242)	(1,461)
Hedging reserve	(c)	**-**	-	**5,145**	-	-
Fair value reserve	(d)	**-**	-	**(4,267)**	-	-
Other reserves	(e)	**-**	-	**6,662**	(2,838)	(378)
		80,000	-	**16,610**	(5,080)	(1,839)

The capital reserve comprises equity component of convertible notes.

17 Reserves (Cont'd)

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

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

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

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

Movement of reserves is as follows:

a. Capital reserve

	The Company		The Group		
	2013	2012	**2013**	2012	2012
	$'000	$'000	**$'000**	$'000 Restated	$'000 Restated
Beginning of year	**-**	-	**-**	-	-
Convertible bond - equity component	**80,000**	-	**80,000**	-	-
Changes in interest in subsidiaries	**-**	-	**1,711**	-	-
At end of year	**80,000**	-	**81,711**	-	-

b. Translation reserve

	The Company		The Group		
	2013	2012	**2013**	2012	2012
	$'000	$'000	**$'000**	$'000 Restated	$'000 Restated
Beginning of year	**-**	-	**(2,242)**	(1,461)	(908)
Net currency translation differences of financial statements of foreign subsidiaries, joint venture and associated companies	**-**	-	**(106,237)**	(771)	(607)
Less: Non-controlling interests			**35,838**	(10)	54
At end of year	**-**	-	**(72,641)**	(2,242)	(1,461)

c. Hedging reserve

	The Company		The Group		
	2013	2012	**2013**	2012	2012
	$'000	$'000	**$'000**	$'000 Restated	$'000 Restated
Beginning of year	**-**	-	**-**	-	-
Gain arising during the year	**-**	-	**7,454**	-	-
Less: Non-controlling interests	**-**	-	**(2,309)**	-	-
At end of year	**-**	-	**5,145**	-	-

17 Reserves (Cont'd)

d. Fair value reserve

	The Company		The Group		
	2013	2012	**2013**	2012	2012
	$'000	$'000	**$'000**	$'000 Restated	$'000 Restated
Beginning of year	**-**	-	**-**	-	-
Available-for-sale financial assets - Fair value (losses)	**-**	-	**(7,191)**	-	-
Less: Non-controlling interests	**-**	-	**2,924**	-	-
At end of year	**-**	-	**(4,267)**	-	-

e. Other reserves

	The Company		The Group		
	2013	2012	**2013**	2012	2012
	$'000	$'000	**$'000**	$'000 Restated	$'000 Restated
Beginning of year	**-**	-	**(2,839)**	(378)	-
Actuarial gains or (losses) during the year	**-**	-	**1,279**	(2,511)	(416)
Changes in interest in subsidiaries	**-**	-	**8,295**	-	-
Less: Non-controlling interests	**-**	-	**(74)**	51	38
At end of year	**-**	-	**6,661**	(2,838)	(378)

18 Borrowings

		The Company		The Group	
		2013	2012	**2013**	2012
	Note	**$'000**	$'000	**$'000**	$'000
Current borrowings					
Short term loans	(i)	**-**	-	**600,900**	-
Loan from subsidiaries	(ii)	**134,867**	144,148	**-**	-
Current portion of non-current borrowings					
- Bank loans	(iii)	**-**	-	**191,706**	27,061
- Finance lease	(iv)	**-**	-	**117**	32
- Consumer financing	(iii)	**-**	-	**3,798**	-
- Other loans		**-**	-	**3,223**	-
		134,867	144,148	**799,744**	27,093
Non-current borrowings					
Bank loans	(iii)	**494,888**	-	**921,798**	211,756
Finance lease	(iv)	**-**	-	**106**	177
Consumer financing	(iii)	**-**	-	**740**	-
Other loans		**-**	-	**1,139**	-
		494,888	-	**923,783**	211,933
Total borrowings		**629,755**	144,148	**1,723,527**	239,026
Secured		**494,888**	-	**1,579,729**	238,817
Unsecured		**134,867**	144,148	**143,798**	209
		629,755	144,148	**1,723,527**	239,026

18 Borrowings (Cont'd)

(i) Some of short term loans are secured by the PT IMAS's subsidiaries' property, plant and equipment (Note 5) , receivables (Note 14) and inventories (Note 13) and have certain terms under the loan agreement that require PT IMAS and its subsidiaries to obtain prior approval from the borrowers with respect to transactions involving amounts that exceed certain thresholds agreed with the borrowers such as among others, mergers or acquisitions; sale or pledge of assets and engaging in non-arm's length transactions and change in majority ownership.

(ii) Loans from subsidiaries are unsecured and repayable on demand. Interest is charged at the interest rate of 1.7% to 5.75% (2012 - 1.7%) per annum.

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

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

(i) The US$125 million term loan facilities bear interest at LIBOR plus 4.5% per annum and have a tenure of 5 years.
(ii) The US$283.3 million bridging loan bear interest at LIBOR plus 4% per annum and have a tenure of 1 year.

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

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

The bank borrowings are secured by the subsidiaries' assets as follows:-
(i) Pledge of land title over Batamindo Industrial Park;
(ii) Pledge of shares and accounts of PT Batamindo Investment Cakrawala ("PT BIC")
(iii) Assignment of insurance proceeds, receivables and equipment of PT BIC.
(iv) First priority legal mortgage and collateral deed of covenant in relation to the vessels;
(v) Debenture (fixed and floating) over all present and future assets of Company;
(vi) First and second priority all monies legal mortgage and collateral deed of covenant over the vessels;
(vii) Second priority all monies debenture (fixed and floating) over all present and future assets of the Company and;
(viii) First and second priority all monies assignment if insurances over the vessels.

Certain covenants, among others, need to be maintained and complied with including:-
(i) Ratio of Borrower Debt to Borrower Equity will not be more than 1.
(ii) Ratio of Borrower Net Debt to Borrower EBITDA will not be more than 3.5.
(iii) Borrower Equity will not be less than IDR 2.69 trillion.
(iv) Borrower Debt Service Coverage Ratio will not be less than 1.
(v) Ratio of Guarantor Debt to Guarantor Equity will not be more than 0.5.
(vi) Ratio of Guarantor Net Debt to Guarantor EBITDA will not be more than 4.

18 Borrowings (Cont'd)

(c) PT IMAS and its subsidiaries

The bank borrowings are secured by the subsidiaries' assets as follows:-
(i) Consumer financing receivables (Note 9)
(ii) Net investment in finance lease (Note 9)
(iii) Marketable equities of available-for-sales assets.
Certain covenants, among others, need to be maintained and complied with including:-
(i) Gearing ratio will not be more than 8.5 and 10
(ii) Maintain management control
(iii) Maintain shareholding of minimum 51% in a subsidiary

(iv) The Group leases motor vehicles and transportation equipment from non-related and related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal value at the end of the lease term. The finance lease are secured by the under underlying assets (Note 5).

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

	The Company		The Group	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Current portion:				
- at floating interest rate	**-**	-	**624,272**	25,061
- at fixed interest rate	**134,867**	144,148	**175,472**	2,032
	134,867	144,148	**799,744**	27,093
Non-current portion:				
- at floating interest rate	**494,888**	-	**673,518**	203,756
- at fixed interest rate	**-**	-	**250,265**	8,177
	494,888	-	**923,783**	211,933

The borrowings are denominated in the following currencies:

	The Company		The Group	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Singapore dollar	**43,820**	144,148	**17,585**	10,000
United States dollar	**494,888**	-	**909,296**	60,000
Indonesian rupiah	**91,047**	-	**796,646**	169,026
	629,755	144,148	**1,723,527**	239,026

The borrowing repayment profile is as follows:-

	The Company		The Group	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Repayable:				
Within 1 years	**134,867**	144,148	**799,744**	33,391
Between 2 to 5 years	**494,888**	-	**912,892**	140,997
More than 5 years	**-**	-	**10,891**	64,638
	629,755	144,148	**1,723,527**	239,026

18 Borrowings (Cont'd)

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

	The Company		The Group	
	2013	2012	**2013**	2012
Short term loans	**-**	-	**1.67% to 10.75%**	-
Bank loans	**3.42% to 4.77%**	-	**2.35% to 13.06%**	2.89% to 11.07%
Finance leases	**-**	-	**4.58% to 13.06%**	5.85% to 9.50%
Loan from subsidiaries	**1.70% to 5.75%**	1.70%	**-**	-

19 Debt securities

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

The Group	**2013 $'000**	2012 $'000
Bonds		
- Current	**58,162**	-
- Non-current	**343,359**	-
Nominal value	**401,521**	-
Less: deferred bonds issuance costs	**(847)**	-
Net	**400,674**	
Secured	**316,550**	-
Unsecured	**84,124**	-
	400,674	-
Repayable:		
Within 1 years	**57,857**	**-**
Between 2 and 5 years	**342,817**	-
More than 5 years	**-**	-
	400,674	-

Included in bonds issued by the Group were bonds issued from subsidiaries of PT IMAS. The details of the bonds as at 31 December 2013 are as follows:-

The Group	**Interest rate %**	**Nominal values S$'000**	**Nominal values IDR Billion**
Bonds II	8.4	15,267	147
Bonds III	8.75	18,799	181
Bonds IV	8.0 to 10.65	96,071	925
Bonds PUB I (IMFI)	6.5 to 8.25	101,888	981
Bonds PUB II (IMFI)	7.0 to 8.5	63,562	612
Bonds PUB III (IMFI)	9.25 to 11.0	21,810	210
		317,397	3,056

The above bonds are listed in Indonesia Stock Exchange ("IDX") and have the credit rating of "Id A" by PT Pemeringkat Efek Indonesia ("Pefindo"). The maturity dates range from 14 June 2012 to 19 June 2017.

The bonds were collateralised by fiduciary transfer of financing receivables (Note 9), other inventories (Note 13) and trade receivables (Note 14) of PT IMAS's subsidiaries amounting to 50% to 60% of the total principal amount of the bonds. The bonds will mature from 2014 to 2017.

19 Debt securities (Cont'd)

The Company	2013 $'000	2012 $'000
Bonds		
- Current	-	-
- Non-current	84,124	-
Nominal value	84,124	-
Less: deferred bonds issuance costs	-	-
Net	84,124	-
Secured	-	-
Unsecured	84,124	-
	84,124	-
Repayable:		
Within 1 years	-	-
Between 2 and 5 years	84,124	-
More than 5 years	-	-
	84,124	-

On 2 May 2013, the Company issued $104,703,000 unsecured 1% per annum fixed rate non-convertible bonds which are due on 2 May 2018 to PT Cipta Sarana Duta Perkasa ("PT CSDP") to finance the acquisition of PT IMAS. These bonds are stated at present value (Note 26).

20 Employee benefits liabilities

The Group	2013 $'000	2012 $'000 Restated	1 Jan 2012 $'000 Restated
Balance at beginning of year	11,896	9,227	7,625
Acquisition of subsidiaries (Note 33)	12,698	-	-
Net employee benefits expense (Note 29)	3,509	976	1,415
Actual benefit payments	(669)	(356)	(391)
Foreign exchange difference	(4,508)	(462)	(135)
Expenses recognised in OCI	(1,279)	2,511	713
Balance at end of year	21,647	11,896	9,227

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

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

20 Employee benefits liabilities (Cont'd)

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

Discount rate	:	7.1% to 9.15% (2012 - 5.5% to 6.25%) per annum
Mortality rate	:	USA Table of Mortality, Commissioners Standard Ordinary 1980
Annual salary increases	:	8% to 12.5% (2012 - 6% to 12.5%) per annum
Retirement age	:	55 to 60 years
Turnover rates	:	5% up to age 25 and reducing linearly up to 0% at the age of 45 and thereafter
Disability rate	:	10% of mortality rate

The net employee benefits expense comprises the following:

The Group	**2013 $'000**	2012 $'000 Restated
Current service cost	**49**	546
Interest expense	**487**	524
Immediate recognition of past service cost - vested	**-**	-
Immediate adjustment of termination plan	**284**	-
Excess payment	**-**	-
Unrecognised past service cost	**6**	-
Amortisation of past service cost	**(6)**	-
Actuarial gain	**2,689**	(94)
	3,509	976

The Group	**2013 $'000**	2012 $'000 Restated	1 Jan 2012 $'000 Restated
Employee benefits liabilities:			
Present value of employee benefits liabilities	**21,647**	11,894	9,227
Unrecognised past service cost	**-**	-	-
Unrecognised actual gain	**-**	-	-
	21,647	11,894	9,227

21 Other non-current liabilities

		The Company		The Group	
	Note	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000 Restated*
Deposits from tenants	(i)	**90**	-	**23,531**	25,585
Refundable golf membership deposit	(ii)	**-**	-	**4,288**	4,428
Unearned revenue	(iii)	**-**	-	**875**	-
Derivative liabilities	24	**-**	-	**51,437**	11,376
		90	-	**80,131**	41,389

21 Other non-current liabilities (Cont'd)

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

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

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

* Per Note 41, the restatement has no impact on balances at 1 January 2012.

22 Trade and other payables

	The Company		The Group	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
				Restated*
Trade				
Trade payables	**-**	-	**200,735**	23,177
Non-trade				
Accruals	**832**	1,836	**39,915**	928
Other payable	**2,001**	580	**58,643**	9,616
Interest payable on bank loan	**6,319**	-	**10,473**	1,073
Advances from customers and distributors	**-**	-	**16,648**	-
Amount owing to related parties	**-**	-	**5,150**	10,142
Amount owing to subsidiaries	**9,276**	4,854	**-**	-
Other current liabilities	**-**	-	**13,438**	-
	18,428	7,270	**345,002**	44,936

Trade payables are generally on 30 days (2012 - 30 days) credit terms.

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

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

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
				Restated
Singapore dollar	**12,109**	7,194	**37,141**	43,253
Indonesian rupiah	**-**	-	**249,188**	1,410
United States dollar	**6,319**	76	**33,179**	273
Euro	**-**	-	**21,873**	-
Swedish Kronor	**-**	-	**3,054**	-
Others	**-**	-	**567**	-
	18,428	7,270	**345,002**	44,936

* Per Note 41, the restatement has no impact on balances as at 1 Jan 2012.

23 Foreclosed assets

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

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

The Group	Note	**2013 $'000**	2012 $'000
Foreclosed assets		**5,637**	-
Less allowance for impairment loss		**(1,744)**	-
	14	**3,893**	-

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

The Group	**2013 $'000**	2012 $'000
Balance at beginning of the year	**1,341**	-
Allowance for impairment loss	**403**	-
Balance at the end of the year	**1,744**	-

24 Derivative financial instruments

As at 31 December 2013, the fair value of the Group's derivative financial instruments was:-

The Group	**Note**	**2013 Assets $'000**	**2013 Liabilities $'000**	2012 Assets $'000	2012 Liabilities $'000 Restated*
<u>Current</u>					
Designated as cash flow hedges					
- Interest rate swaps (i)		**51**	**-**	-	-
- Cross currency swaps (ii)		**17,567**	**-**	-	-
	14	**17,618**	**-**	-	-
<u>Non-current</u>					
Not designated as hedging instruments					
- MSL swap (iii)	**11**	**51,437**	**-**	-	-
- Cross currency interest rate swap (iii)	**21**	**-**	**51,437**	-	11,376
		69,055	**51,437**	-	11,376

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

(i) <u>Interest rate swap</u>
The notional amounts of the interest rate swaps at 31 December 2013 are $38,000,000 (2012 - $Nil).

(ii) <u>Cross currency swap</u>
The notional amounts of the cross currency swaps at 31 December 2013 were $106,070,000 (2012 - $Nil).

24 Derivative financial instruments (Cont'd)

(iii) MSL swap and cross currency interest rate swap

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

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

As of 31 December 2013, the fair value of the CCIRS is recorded as a derivative liability amounting to $51,437,000 (2012 – $ 11,376,000) (Note 21) and the Group's loss on the valuation of fair value of the CCIRS is recorded as part of "other income" (Note 26) in the consolidated statement of comprehensive income.

As of 31 December 2013, the fair value of the MSL swap is recorded as a derivative asset amounting to $51,437,000 (2012 – $ Nil) (Note 11) and the Group's gain on valuation of fair value of the MSL swap is recorded as part of "other income" (Note 26) in the consolidated statement of comprehensive income.

* Per Note 41, the restatement has no impact on balances as at 1 Jan 2012.

25 Revenue

The Group	**2013** **$'000**	2012 $'000
Sales of goods	**1,501,129**	-
Rendering of services	**4,864**	4,904
Financials services	**66,504**	-
Electricity and water supply	**106,303**	109,237
Rental and related income	**88,583**	32,553
Sales of land and factory	**57,954**	31,505
Golf revenue	**3,287**	3,034
Ferry services	**17,659**	19,866
Telecommunication	**1,813**	1,259
Clinic operation	**1,158**	1,000
Others	**5,494**	871
	1,854,748	204,229

26 Other income

The Group	2013 $'000	2012 $'000 Restated
Exchange (loss)/gain, net	**(3,808)**	17,339
Gain/(loss) on disposal of property, plant and equipment	**26,266**	(458)
Interest income	**24,822**	22,712
Other telecommunication income	**1,291**	1,803
Bank charges	**(7,535)**	(181)
Reversal of allowance on doubtful debt	**5,188**	3,000
Commission income	**872**	-
Penalty income	**3,677**	-
Sales incentive and dealer development	**9,878**	-
Scrap income	**498**	-
Subsidy income (for sales or promotion)	**5,244**	-
Gain/(loss) on derivative financial instrument (Note 24(iii))	**11,376**	(11,376)
Others	**25,117**	1,025
	102,886	33,864

Included in others is an amount of $20,579,000 (2012 - $Nil) relating to a gain on the present value of a 5-year non-convertible bond (Note 19).

27 Other operating expenses

The Group	2013 $'000	2012 $'000 Restated
Communication	**1,485**	396
Depreciation and amortisation	**8,353**	1,110
Entertainment	**549**	591
Insurance	**1,373**	443
Management fee	**1,271**	83
Marketing and promotion expenses	**18,244**	3,373
Professional fees	**1,101**	844
Rental	**1,155**	709
Repairs and maintenance	**2,882**	2,151
Representation costs	**1,596**	939
Staff costs and related expenses	**27,536**	6,759
Taxes and licences	**2,565**	1,729
Technical assistance fee	**-**	350
Transport and travelling	**4,905**	1,220
Printing and stationeries	**187**	214
Packing and delivery	**10,263**	1,691
Security expenses	**3,596**	335
Sales commission and incentive	**11,418**	-
Allowance for impairment losses and loss on sales of foreclosed assets	**3,943**	-
Utilities	**2,341**	690
Office supplies	**1,784**	62
Others	**7,427**	245
	113,974	23,934

28 Finance costs

The Group	**2013 $'000**	2012 $'000
Interest expense on:		
- Short term loans	**544**	-
- Bank loans	**71,093**	18,529
- Finance lease	**27**	-
- Debt securities	**3,077**	-
- Other loans	**467**	2
	75,208	18,531

29 Profit before taxation

The Group	Note	**2013 $'000**	2012 $'000 Restated
Profit before taxation has been arrived at after charging/(crediting):			
Audit fee paid to:			
- auditor of the Company		**352**	162
- other auditors		**522**	296
Non-audit fees paid to:			
- auditor of the Company		**24**	246
- other auditors		**28**	37
Allowance for inventories obsolescence	13	**174**	8
Amortisation of intangible assets	4	**58**	177
Depreciation of property, plant and equipment	5	**60,902**	31,072
Depreciation of investment properties	6	**22,490**	22,458
Directors' fees		**281**	281
Directors' remuneration			
- Directors' salaries and related costs		**1,830**	1,550
- CPF contributions		**29**	32
		1,859	1,582
Foreign exchange gain, net		**3,808**	(5,963)
Allowance for impairment of trade and other receivables		**(1,126)**	564
Operating lease rentals			
- office equipment and office premises		**1,663**	1,701
Provision for employees' benefits	20	**3,509**	976
Rental income (included in revenue)			
- investment properties		**(27,621)**	(29,156)
- others		**(5,409)**	(1,951)
Operating expenses arising from investment properties that generated rental income	6	**23,573**	23,709
Staff costs (other than Directors)			
- salaries and related costs		**88,238**	19,212
- CPF contributions		**362**	206
		88,600	19,418

30 Taxation

The Group	Note	**2013 $'000**	2012 $'000 Restated
Current taxation			
Indonesia tax			
Final tax		**6,080**	4,958
Non-final tax		**19,154**	6,322
Singapore tax	10	**814**	300
		26,048	11,580
Deferred taxation			
Indonesia tax		**(8,716)**	1,134
Singapore tax		**(1,289)**	(284)
		(10,005)	850
		(16,043)	12,430

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the Group's profit as a result of the following:

The Group	**2013 $'000**	2012 $'000 Restated
Profit before taxation	**86,240**	22,202
Tax at statutory rate of 17%	**14,661**	3,774
Difference of tax effects on gross income subject to final tax instead of corporate tax	**6,122**	4,957
Effect on tax rate of foreign jurisdiction	**5,602**	1,878
Tax effects on non-deductible expenses	**(10,342)**	1,821
	16,043	12,430

31 Other comprehensive income after taxation

The Group	**Before tax $'000**	**Tax expense** $'000	**Net of tax** $'000
31 December 2013			
Disclosure of tax effects relating to each component of other comprehensive income:			
Available-for-sale investments	**(7,191)**	**-**	**(7,191)**
Derivative instruments	**7,454**	**-**	**7,454**
Currency translation differences	**(106,237)**	**-**	**(106,237)**
Share of other comprehensive income of associates	**3**	**-**	**3**
Actuarial gains or (losses) arising during the period	**1,279**	**-**	**1,279**
	(104,692)	**-**	**(104,692)**
31 December 2012			
Currency translation differences	(771)	-	(771)
Actuarial loss during the period	(2,511)	-	(2,511)
	(3,282)	-	(3,282)

32 Earnings per share

The Group

The basic earnings per share is calculated based on the consolidated profits attributable to owners of the parent divided by the weighted average number of shares in issue of 4,020,804,260 (2012 - 2,412,482,556) shares during the financial year.

Fully diluted earnings per share were calculated on the consolidated profits attributable to owners of the parent divided by 4,187,470,927 (2012 – 2,412,482,556) ordinary shares. The number of ordinary shares is calculated based on the weighted average number of shares in issue during the financial year adjusted for the effects of the dilutive issuable shares from the convertible bond. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the year or if later, the date of the issue of the potential ordinary shares.

The following tables reflect the profit or loss and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

The Group	**2013** **$'000**	2012 $'000 Restated
Basic earnings per share		
Profit attributable to shareholders	**47,462**	11,190
Weighted average number of ordinary shares in issue ('000)	**4,020,804**	2,412,483
Basic earnings per share (in cents)	**1.18**	0.46
Diluted earnings per share		
Profit attributable to shareholders	**47,462**	11,190
Weighted average number of ordinary shares in issue ('000)	**4,020,804**	2,412,483
Adjustment for assumed conversion of convertible bond ('000)	**166,667**	-
Weighted average number of ordinary shares for diluted earnings per shares ('000)	**4,187,471**	2,412,483
Diluted earnings per share (in cents)	**1.13**	0.46

33 Business Combinations

1. Acquisition of subsidiaries during the year

(i) On 2 May 2013, the Company acquired 52.35% of the issued share capital of PT Indomobil Sukses Internasional Tbk ("PT IMAS") for an aggregate consideration of $988.2 million which included the issue of straight and convertible bond to its previous shareholder. PT IMAS is listed on the Indonesia Stock Exchange ("IDX"). PT IMAS and its subsidiaries are an integrated automotive business group and is one of the two largest automotive groups in Indonesia. On 2 August 2013, the Company acquired additional 19.14% through Mandatory Tender Offer ("MTO") as required by the Indonesia regulation.

The acquisition is expected to result in the Group becoming an even more substantial and diversified conglomerate with core businesses extending to the automotive business and enhance the Group's portfolio of investments and position the Group to further tap on the growing Indonesia economy in particular the Indonesian middle-class-sector.

33 Business Combinations (Cont'd)

1. Acquisition of subsidiaries during the year (cont'd)

(ii) The following summarises the major classes of consideration transferred and the recognised amounts of assets and liabilities assumed at the acquisition date:

(a) Consideration transferred

The Group	$'000
Cash	803,483
Issued of convertible and non-convertible bonds	184,703
Total consideration transferred	988,186

(b) Fair value of identifiable assets acquired and liabilities assumed at acquisition date

The Group	Note	$'000
Property, plant and equipment	5	358,019
Financing receivable		602,311
Investment in associates	8	171,452
Investment in unquoted shares	11	33,042
Investment in quoted shares	11	94,906
Foreclosed assets		5,673
Deferred tax assets	10	24,683
Other non-current assets		45,946
Other current assets		860,622
Cash and cash equivalents		68,905
Current liabilities		(321,437)
Short term loans		(502,779)
Borrowings		(381,661)
Bond payable		(357,444)
Employee benefit liabilities	20	(12,698)
Other non-current liabilities		(2,451)
Deferred tax liabilities	10	(2,080)
Non-controlling interest		(62,947)
Total identifiable net assets		622,062
Fair value adjustment	4	1,265,591
Total revised identifiable net assets		1,887,653
Less : Non-controlling interest at fair value		(899,467)
Consideration transferred for the business		988,186

The final allocation of the purchase price to the identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination is currently being determined and has not been completed. In the meantime, the fair value adjustment of $1.27 billion, which results from the difference between the purchase consideration and the identifiable carrying amounts of the assets and liabilities acquired, is reported under Note 4 as "goodwill".

33 Business Combinations (Cont'd)

1. Acquisition of subsidiaries during the year (cont'd)

(c) Effect on cash flows of the Group

The Group	$'000
Cash	803,483
Issued of convertible and non-convertible bonds	184,703
Total consideration transferred	988,186
Less: Cash balance in subsidiaries acquired	(68,905)
Net cash outflow on acquisition	919,281

(d) Acquisition-related cost

The Group incurred acquisition related cost of $5.1 million relating to external legal fees and due diligence costs. These costs have been included in administrative expenses in the Group's consolidated statement of comprehensive income.

(e) Revenue and profit contribution

The subsidiaries acquired during the year contributed $26 million to Group's profit for the year. If the acquisition had occurred on 1 January 2013, Group's proforma revenue and profit would have been $1,752 million and $56 million respectively. The subsidiaries' assets and liabilities as at 31 December 2013 were $2,270 million and $1,626 million respectively.

2. Acquisition of subsidiary in 2012

The Group acquired 100% equity interests in BU Holding Pte Ltd and Lagoi Dreams Limited, for a consideration of $230,000, in which they hold the entire interest in PT Taman Indah.

The carrying value of assets and liabilities acquired were as follow:

The Group	$'000
Net assets acquired of	
Bank balance	(285)
Trade and other receivables	(1,632)
Trade and other payables	3,707
Goodwill on acquisition	(2,020)
Cash consideration	(230)
Cash balance in subsidiaries acquired	285
Cash inflow on acquisition	55

The Purchase Price Allocation was completed during the year and $1,960,000 is recognised as goodwill in Note 4.

34 Commitments

a. Capital Commitments

Capital expenditure contracted for at the end of the reporting date, but not recognised in the financial statements is as follows:

The Group	**2013** **$'000**	2012 $'000
Capital expenditure contracted but not provided for	**1,839**	4,081

b. Operating lease commitments

Where the company is the lessee

At the end of the reporting period, the company was committed to making the following lease rental payments under non-cancellable operating leases for office premises and office equipment with a term of:

	The Company		The Group	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Lease rentals payable:				
Not later than one year	**756**	224	**1,542**	1,386
Later than one year and not later than five years	**1,269**	-	**2,483**	954
Later than five years	**-**	-	**-**	-

The leases on the company's rental on which rental is payable will expire on 30 August 2016, and the current rental payable on the lease is $62,543 per month which are subject to revision on renewal of lease agreement.

The leases for the office equipment on which rental is payable will expire on 31 January 2018, and the current rental payable on the lease is $439 per month which are subject to revision on renewal of lease agreement.

Where the company is the lessor

The future minimum lease payments receivables under non-cancellable operating leases from sites with a term of more than one year are as follows:

	The Company		The Group	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Lease rentals receivable:				
Not later than one year	**361**	-	**20,407**	21,380
Later than one year and not later than five years	**602**	-	**22,602**	22,402
Later than five years	**-**	-	**1,408**	14

The leases on the company's premises on which rentals are received will expire on 30 August 2016. The current rent receivable on the lease ranges from $1,976 to $14,379 per month which are subject to revision on renewal of lease agreement.

35 Related parties transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, there were significant related party transactions which were carried out in the normal course of business on terms agreed between the parties as follows:

The Group		**2013** **$'000**	2012 $'000
(a)	**With associates and joint ventures**		
	Sales of goods and services	**(797)**	(783)
(b)	**With related companies and associates of ultimate holding company**		
	Management fees paid	**552**	-
	Marketing services	**-**	2,723
	Technical assistance fee	**-**	350
	Human resource management fee	**468**	392
	Interest income	**(2,498)**	(2,376)
	Purchase of goods and services	**7,297**	6,028
	Sales of goods and services	**(38,344)**	(9,883)
(c)	**Remuneration of directors of the company and key management personnel of the Group**		
	Salaries and other short-term employee benefits	**2,365**	2,125

36 Operating segments

For management purposes, the Group is organised into the following reportable operating segments as follows:-

(i) Industrial parks segment
Industrial parks segment is engaged in activities consisting of the development, construction, operation and maintenance of industrial properties in Batam Island and Bintan Island together with the supporting infrastructure activities.

(ii) Utilities segment
Utilities segment is engaged in the activities of provision of electricity and water supply, telecommunications services and waste management and sewage treatment services to the industrial parks in Batam Island and Bintan Island as well as resorts in Bintan Island.

(iii) Resort operations segment
The resort operations segment is engaged in the activities of provision of services to resort operators in Bintan Resort including ferry terminal operations, workers accommodation, security, fire-fighting services and facilities required by resort operators.

36 Operating segments (Cont'd)

(iv) Property development segment

Property development segment is engaged in the activities of developing industrial and resort properties in Batam Island and Bintan Island.

(v) Automotive segment (including workshops)

PT IMAS is considered as one operating segment and is organised into automotive segment because the decisions for resource allocation and performance assessment are made directly by the board of PT IMAS, taking into account the opinion of the Company's Board. The automotive segment is engaged in activities of vehicle sales distribution, after sales services, vehicle ownership financing, spare part distribution, vehicle assembly, automotive parts manufacturing and other related supporting services

Set out below is an analysis of the segment information:

36 Operating segments (Cont'd)

The Group

	Industrial Parks		Utilities		Resort Operations		Property Development		Automotive		Corporate		Elimination		Total	
	2013	2012 Restated	**2013**	2012 Restated	**2013**	2012 Restated	**2013**	2012 Restated	**2013**	2012 Restated	**2013**	2012 Restated	**2013**	2012 Restated	**2013**	2012 Restated
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Business segments																
Operating revenue																
External sales	**40,537**	67,402	**108,116**	110,760	**20,790**	23,209	**55,540**	2,858	**1,629,765**	**-**	**-**	-	**-**	-	**1,854,748**	204,229
Inter segment sales	**-**	73	**-**	353	**52**	-	**99**	-	**-**	**-**	**-**	-	**(151)**	(426)	**-**	-
Total sales	**40,537**	67,475	**108,116**	111,113	**20,842**	23,209	**55,639**	2,858	**1,629,765**	**-**	**-**	-	**(151)**	(426)	**1,854,748**	204,229
Segment results																
Profit/(loss) from operations	**(3,689)**	16,031	**17,785**	19,907	**(8,444)**	(7,252)	**40,325**	1,067	**91,515**	**-**	**23,956**	10,980	**-**	-	**161,448**	40,733
Finance costs															**(75,208)**	(18,531)
Profit before taxation															**86,240**	22,202
Taxation															**(16,043)**	(12,430)
Profit after taxation															**70,197**	9,772
Attributable to:																
Equity holders of the Company															**47,462**	11,190
Non-controlling interests															**22,735**	(1,418)
															70,197	9,772
Assets																
Segment assets	**193,159**	283,589	**290,960**	169,002	**48,908**	51,619	**645,681**	594,224	**2,269,681**	**-**	**1,450,861**	195,102	**-**	-	**4,899,250**	1,293,536
Unallocated corporate assets															**317,910**	332,480
Total assets															**5,217,160**	1,626,016
Liabilities																
Segment liabilities	**40,630**	48,336	**62,612**	15,165	**6,644**	6,975	**1,079**	10,254	**1,625,022**	**-**	**45,522**	11,643	**-**	-	**1,781,509**	92,373

36 Segment information (Cont'd)

The Group

	Industrial Parks		Utilities		Resort Operations		Property Development		Automotive		Corporate		Elimination		Total	
	2013	2012 Restated	**2013**	2012 Restated	**2013**	2012 Restated	**2013**	2012 Restated	**2013**	2012 Restated	**2013**	2012 Restated	**2013**	2012 Restated	**2013**	2012 Restated
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Unallocated corporate liabilities															**810,733**	246,689
Total liabilities															**2,592,242**	339,062
Business segments																
Other information																
Capital expenditure	**3,796**	7,110	**376**	623	**4,111**	5,216	**205**	96	**92,084**	-	**26**	32	-	-	**100,598**	13,077
Software costs	**28**	9	**-**	-	**-**	79	**-**	-	**-**	-	**385**	-	-	-	**413**	88
Allowance for inventories obsolescence	**170**	-	**-**	8	**-**	-	**-**	-	**4**	-	**-**	-	-	-	**174**	8
Provision for employees' benefits	**230**	495	**99**	595	**146**	162	**525**	(140)	**2,509**	-	**-**	-	-	-	**3,509**	1,112
Amortisation of intangible assets	**22**	23	**-**	-	**7**	78	**23**	46	**-**	-	**6**	30	-	-	**58**	177
Depreciation of property, plant and equipment	**14,043**	5,810	**7,617**	16,005	**8,976**	8,865	**256**	287	**24,595**	-	**73**	105	-	-	**55,560**	31,072
Depreciation of investment properties	**22,491**	22,458	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	-	-	**22,491**	22,458
(Gain)/loss on disposal of property, plant and equipment	**43**	(40)	**-**	-	**(7)**	497	**(9)**	-	**26,238**	-	**-**	1	-	-	**26,265**	458
Impairment of trade and other receivables	**175**	564	**-**	-	**83**	-	**-**	-	**868**	-	**-**	-	-	-	**1,126**	564

36 Operating segments (Cont'd)

The Group

Geographical segments

The Group operates mainly in Indonesia. Accordingly, analysis by geographical segments is not presented.

Segment revenue and segment expense

All segment revenue and expense are directly attributable to the segments.

Segment assets and liabilities

Segment assets include all operating assets and consist principally of receivables, land inventories, other inventories, financing receivables, investment properties and property, plant and equipment, net of allowances and provisions. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated on a reasonable basis.

Segment liabilities include all operating liabilities and consist principally of operating payables.

Segment assets and liabilities do not include cash and cash equivalents, notes receivables, deferred tax assets, deferred tax liabilities, current tax payable, loans and borrowings.

37 Financial risk management

a. Financial risk management objectives and policies

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

The Company co-ordinates, under the directions of the directors, financial risk management policies and their implementation on a group-wide basis. The Group's policies are designed to manage the financial impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. The Group uses derivative financial instruments, principally interest rate swaps and cross-currency swaps for hedging certain risk exposures in accordance with the Group's financial risk management policies. It is the Group's policy not to enter into derivative transactions for speculative purposes. The notional amounts and fair values of derivative financial instruments at 31 December 2013 are disclosed in Note 24.

b. Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk arising from the changes in market interest rates which leads to the fluctuation of the fair value or future cash flows of the financial instruments.

37 Financial risk management (Cont'd)

b. Market risk (cont'd)

(i) Interest rate risk (cont'd)

The Group is financed through interest-bearing bank loans and other borrowings such as shareholders' loans, and advances from related parties. Therefore, the Group's exposures to market risk for changes in interest rates relate primarily to its long-term borrowings obligations and interest-bearing assets and liabilities. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure by managing its interest cost using a mixture of fixed and variable rate debts and long and short-term borrowings. The Group actively reviews its debt portfolio and evaluate the interest rates are in line with the changes in interest rate which is relevant in the money market. The Group also uses hedging instruments such as interest rate swaps to minimise its exposure to interest rate volatility. The Group designates these interest rate swaps as cash flow hedges (Note 24).

The fair value loss of interest rate swaps as at 31 December 2013 are disclosed in Note 24.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax:

	2013		2012	
	Increase/ (decrease) in basis points	**Effect on profit before tax $'000**	Increase/ (decrease) in basis points	Effect on profit before tax $'000
Singapore dollar	**0.0029**	**(3,675)**	0.0043	(995)
Singapore dollar	**(0.0029)**	**3,675**	(0.0043)	995

(ii) Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising primarily from purchases, assets and liabilities which arise from daily operations that are denominated in a currency other than the respective functional currencies of group entities, primarily Singapore Dollar (SGD) and Indonesian rupiah (IDR). The foreign currencies in which these transactions are denominated are mainly United States Dollar (USD) and Euro Dollar (EURO).

The Company and the Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of reporting period, such foreign currency balances (mainly in IDR and USD) amount to $139,985,000 and $2,809,000 for the Group and the Company respectively.

The Group maintains a natural hedge, whenever possible by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue streams to be generated from its investments. The Group also enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in foreign currency and these swaps are designated as cash flow hedges (Note 24).

37 Financial risk management (Cont'd)

b. Market risk (cont'd)

(ii) Foreign exchange risk (cont'd)

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The fair value loss of cross currency swaps as at 31 December 2013 are disclosed in Note 24.

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risk and which are held for long term investment purposes, the differences arising from such translation are recorded under the currency translation reserves. These translation differences are reviewed and monitored on a regular basis.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the United States dollar and Indonesian rupiah exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	2013		2012	
	Appreciation/ (depreciation) of foreign currency rate	**Effect on profit before tax increase/ (decrease) $'000**	Appreciation/ (depreciation) of foreign currency rate	Effect on profit before tax increase/ (decrease) $'000
Indonesian rupiah	**11%**	**(93,604)**	8%	(12,280)
Indonesian rupiah	**(11%)**	**93,604**	(8%)	12,280
United States dollar	**0%**	**(381)**	1%	1,127
United States dollar	**(0%)**	**381**	(1%)	(1,127)
Euro dollar	**3%**	**(549)**	-	-
Euro dollar	**(3%)**	**549**	-	-
Swedish Krona	**4%**	**(30)**	-	-
Swedish Krona	**(4%)**	**30**	-	-

The average and year end exchange rates for 2013 and 2012 are as follows:

	2013		2012	
	Year end	**Average**	Year end	Average
Indonesian rupiah	**Rp.9,628/$1**	**Rp.8,385/$1**	Rp.7,907/$1	Rp.7,564/$1
United States dollar	**US$0.79/$1**	**US$0.80/$1**	US$0.82/$1	US$0.80/$1

37 Financial risk management (Cont'd)

b. Market risk (cont'd)

(iii) Market price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group is exposed to market price risks arising from its investment in equity investments quoted on the IDX in Indonesia classified as available-for-sale. Available-for- sale equity investments are held for strategic rather than trading purposes. The Group does not actively trade available-for-sale investments.

c. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company or the Group to incur a financial loss. For the subsidiary engage in consumer financing, a financial loss will arise when the debtor does not meet its contractual obligation.

The financial assets that potentially subject the Group to significant concentration of credit risk consist principally of cash and bank balances, trade and other receivables, loan and notes receivables. For trade receivables, the Company and the Group adopt the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Company's and the Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group has in place credit policies and procedures to ensure the ongoing credit evaluation and active account monitoring. Credit risk which is encountered by the Group comes from credits given to customers. To reduce this risk, there is a policy to ensure the product sales are to be made to customers who can be trusted and proven to have a good credit history and pass the credit verification. The Group monitors the receivable balance continuously to maximize installment billings and reduce the possibility of doubtful accounts.

The Group's exposures to credit risk arise from default of other parties, with maximum exposure equal to the carrying amount of these instruments. At the reporting date, there were no significant concentrations of credit risk other than the loan receivable, notes receivables and interest receivables as disclosed in Note 11.

The Company's and the Group's major classes of financial assets are bank deposits and trade receivables. Cash is held with financial institutions of good standing/established financial institutions/reputable financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 14.

d. Liquidity risk

Liquidity risk is the risk that the Company and the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company and the Group's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group maintains a balance between continuity of accounts receivable collectability and flexibility through the use of borrowings, debt securities and stand-by credit facilities.

37 Financial risk management (Cont'd)

d. Liquidity risk (Cont'd)

The table below analyses the maturity profile of the Company's and the Group's non-derivative financial liabilities based on contractual undiscounted cash flows:

The Company	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2013				
Trade and other payables	**18,428**	**-**	**-**	**18,428**
Borrowings	**134,867**	**494,888**	**-**	**629,755**
Debt securities	**-**	**84,124**	**-**	**84,124**
Other non-current liabilities	**-**	**90**	**-**	**90**
	153,295	**579,102**	**-**	**732,397**
As at 31 December 2012				
Trade and other payables	7,270	-	-	7,270
Borrowings	144,148	-	-	144,148
	151,418	-	-	151,418

The Group	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2013				
Trade and other payables	**345,002**	**-**	**-**	**345,002**
Borrowings	**799,744**	**912,892**	**10,891**	**1,723,527**
Debt securities	**57,857**	**342,817**	**-**	**400,674**
Other non-current liabilities	**-**	**80,131**	**-**	**80,131**
	1,202,603	**1,335,840**	**10,891**	**2,549,334**
As at 31 December 2012				
Trade and other payables	44,936	-	-	44,936
Borrowings	27,093	211,933	-	239,026
Other non-current liabilities	-	41,389	-	41,389
	72,029	253,322	-	325,351

The Company and the Group ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

e. Project development risk

Construction delays can result in loss of revenue. The failure to complete construction of a project according to its planned specifications or schedule may result in liabilities, reduce project efficiency and lower returns. The Group manages this risk by closely monitoring the progress of all projects through all stages of construction.

38 Capital management

The Group's objectives when managing capital are:

(i) To safeguard the Group's ability to continue as a going concern;
(ii) To support the Group's stability and growth;
(iii) To provide capital for the purpose of strengthening the Company's risk management capability;
(iv) To provide an adequate return to shareholders.

38 Capital management (Cont'd)

Capital is total equity as shown in the statements of financial position plus net debt.
The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

The Company and its subsidiaries are not subject to externally imposed capital requirements except as disclosed in Note 18.

39 Financial instruments

Accounting classification of financial assets and financial liabilities

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the statements of financial position are as follows:

The Group	Note	Available -for-sales $'000	Fair value -hedging instrument $'000	Loan and receivables $'000	Total carrying amount $'000
2013					
Financial assets					
Trade and other receivables	14	-	-	**426,871**	**426,871**
Financing receivables	9	**652,736**	-	-	**652,736**
Cash and cash equivalents	15	-	-	**168,363**	**168,363**
Derivative assets	11	-	**51,437**	-	**51,437**
Other non-current assets	11	-	-	**554,589**	**554,589**
		652,736	**51,437**	**1,149,823**	**1,853,996**

The Group	Note	Available -for-sales $'000	Fair value -hedging instrument $'000	Other financial liabilities within the scope of FRS 39 $'000	Total carrying amount $'000
2013					
Financial Liabilities					
Trade and other payables	22	-	-	**345,002**	**345,002**
Borrowings	18	-	-	**1,723,527**	**1,723,527**
Debt securities	19	-	-	**400,674**	**400,674**
Derivative liabilities	21	-	**51,437**	-	**51,437**
		-	**51,437**	**2,469,203**	**2,520,640**

39 Financial instruments (Cont'd)

Accounting classification of financial assets and financial liabilities (cont'd)

The Group	Note	Available -for-sales $'000	Fair value -hedging instrument $'000	Loan and receivables $'000	Total carrying amount $'000
2012					
Financial assets					
Trade and other receivables	14	-	-	58,332	58,332
Cash and cash equivalents	15	-	-	66,769	66,769
Other non-current assets	11	-	-	388,945	388,945
		-	-	514,046	514,046

The Group	Note	Available -for-sales $'000	Fair value -hedging instrument $'000	Other financial liabilities within the scope of FRS 39 $'000	Total carrying amount $'000
2012					
Financial Liabilities					
Trade and other payables	22	-	-	44,936	44,936
Borrowings	18	-	-	239,026	239,026
Derivative liabilities	21	-	11,376	-	11,376
		-	11,376	283,962	295,338

The Company	Note	Available -for-sales $'000	Fair value -hedging instrument $'000	Loan and receivables $'000	Total carrying amount $'000
2013					
Financial assets					
Trade and other receivables	14	**-**	**-**	**121,295**	**121,295**
Cash and cash equivalents	15	**-**	**-**	**3,062**	**3,062**
		-	**-**	**124,357**	**124,357**

The Company	Note	Available -for-sales $'000	Fair value -hedging instrument $'000	Other financial liabilities within the scope of FRS 39 $'000	Total carrying amount $'000
2013					
Financial Liabilities					
Trade and other payables	22	**-**	**-**	**18,428**	**18,428**
Borrowings	18	**-**	**-**	**629,755**	**629,755**
Debt securities	19	**-**	**-**	**84,124**	**84,124**
		-	**-**	**732,307**	**732,307**

39 Financial instruments (Cont'd)

Accounting classification of financial assets and financial liabilities (cont'd)

The Company	Note	Available -for-sales $'000	Fair value -hedging instrument $'000	Loan and receivables $'000	Total carrying amount $'000
2012					
Financial assets					
Trade and other receivables	14	-	-	124,485	124,485
Cash and cash equivalents	15	-	-	4,494	4,494
		-	-	128,979	128,979

The Company	Note	Available -for-sales $'000	Fair value -hedging instrument $'000	Other financial liabilities within the scope of FRS 39 $'000	Total carrying amount $'000
2012					
Financial Liabilities					
Trade and other payables	22	-	-	7,270	7,270
Borrowings	18	-	-	144,148	144,148
		-	-	151,418	151,418

40 Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation input used as follows:-

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

40 Fair value of assets and liabilities (Cont'd)

(b) Assets and liabilities measured at fair value

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2013				
Quoted financial assets	**72,120**	**-**	**-**	**72,120**
Derivative assets	**-**	**69,055**	**-**	**69,055**
	72,120	**69,055**	**-**	**141,175**
Derivative liabilities	-	**(51,437)**	**-**	**(51,437)**
Debt securities	-	**-**	**(84,124)**	**(84,124)**
	-	**(51,437)**	**(84,124)**	**(135,561)**

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2012				
Derivative liabilities	-	(11,376)	-	(11,376)

The Company	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2013				
Debt securities	-	-	**(84,124)**	**(84,124)**
	-	-	**(84,124)**	**(84,124)**

In 2012, the Company did not have any assets and liabilities measured at fair value.

(c) Level 1 fair value measurements

The available-for-sale equity investments) is held by the Group is traded in active markets and is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets held by the Group is the current market price.

(d) Level 2 fair value measurements

The Group's derivatives consist of forward currency contracts, interest rate swap contracts and cross currency interest rate swap contracts. These derivatives are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, foreign exchange spot and forwards rates, interest rate curves and forward rate curves.

(e) Level 3 fair value measurements

The fair value of the debt securities related to the issued of unsecured 1% p.a fixed rate non-convertible bonds to finance the acquisition of PT IMAS is estimated is using a present value technique. The discount rate used is 5.5%, based on the Group's estimated borrowing rate if the same bond is to be issued in the market at the reporting date and therefore reflects the Group's credit position

40 Fair value of assets and liabilities (Cont'd)

(f) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The carrying amount of trade and other receivables (Note 14), current financing receivables (Note 9), cash and bank balances (Note 15), trade and other payable (Note 22), current borrowings (Note 18) and debt securities (Note 19) are reasonable approximation of fair values due to their short term nature.

The carrying amounts of other non-current assets (Note 11), other non-current liabilities (Note 21) and non-current borrowings (Note 18) and debt securities (Note 19) except Note 40 (e) above are reasonable approximation of fair values as their interest rate approximate the market lending rate.

41 Comparative figures

In addition to the restatement of comparative figures as disclosed in Note 2(b), certain comparative information has been reclassified to conform with current year's presentation as follows:

	2012		1 Jan 2012	
The Group	$'000 As restated	$'000 As previously reported	$'000 As restated	$'000 As previously reported
Statements of financial position				
Other non-current liabilities	41,389	30,013	31,856	31,856
Trade and other payables - current	44,936	56,312	64,847	64,847

42 Events after end of reporting period

a. Subsequent to year end, the Company and the Group obtained the following financing:-

(i) The Company has obtained term loan facilities arranged by CIMB Bank Berhad, Singapore Branch, DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, The Royal Bank of Scotland PLC and Standard Chartered Bank, comprising of US$ tranche of US$246 million and S$ tranche of S$207.9 million equivalent to US$410 million, both for a tenure of 3 years. The proceeds of the facilities have been used to refinance its acquisition and bridging loans that were used for acquisition of 71.49% shares in PT Indomobil Sukses Internasional Tbk.

(ii) The Group has obtained term loan facilities with Bank Mega Syariah for Indonesian Rupiah of 110 billion for tenure of 5.5 years. The facilities will be used for working capital.

b. Subsequent to year end, the Group announced that:-

(i) Its subsidiary company, PT Wahana Inti Selaras ("PT WISEL") held through PT Indomobil Sukses Internasional Tbk ("PT IMAS"), has established a joint venture company, PT Indo Global Traktor ("PT IGT") with Lauw Lie (Maria Kristina) to engage in trading, manufacturing, workshop, transport and services.

(ii) Its subsidiary company, PT Central Sole Agency (PT CSA), held through PT IMAS, has increased its share capital from 4,372,200 shares to 4,609,320 shares and this was fully subscribed by PT IMAS.

42 Events after end of reporting period (Cont'd)

(iii) Its subsidiary company, PT Wahana Inti Selaras ("PT WISEL") held through PT IMAS, has established a joint venture company, PT Prima Sarana Mustika ("PT PSM") with PT Salim Ivomas Pratama Tbk ("PT SIMP") to engage in construction, trade, services, agriculture, land transportation and workshop business field.

(iv) Its subsidiary company, PT IMAS has acquired additional 0.3% in PT Autotech Indonesia ("PT AI") increased its stake from 5.39% to 5.69%.

(v) Its subsidiary company, PT Indomobil Cahaya Prima ("PT ICP"), held through PT IMAS, has increased its share capital from 10,000 shares to 17,000 shares and this was fully subscribed by PT IMAS proportional to its percentage of shareholding .

(vi) Its subsidiary company, PT Indomobil Trada Nasional ("PT ITN"), held through PT IMAS, entered into land sale and purchase transaction to sell land to PT Furukawa Indomobil Battery Manufacturing ("PT FIBM") to build factory for production of batteries.

c. On 11 February 2014, the Company signed a Memorandum of Understanding with Garuda Indonesia to develop Bintan Island into a tourism and aviation hub and it is not expected to have a material impact on the net tangible assets per share or earnings per share of the Group for the financial year ending 31 December 2014.

Financial statements

Gallant Venture Ltd.
and its subsidiaries

31 December 2012

Company information

Company registration number	200303179Z
Registered office	991A Alexandra Road #02-06/07 Singapore 119969
Directors	Lim Hock San (Non-Executive Chairman and Independent Director) Eugene Cho Park (Executive Director and Chief Executive Officer) Gianto Gunara (Executive Director) Dr Tan Chin Nam (Non-Executive Director) BG (Ret) Chin Chow Yoon (Non-Executive Director) Foo Ko Hing (Independent Director) Rivaie Rachman (Independent Director)
Audit committee	Lim Hock San (Chairman) Foo Ko Hing Rivaie Rachman
Nominating committee	Rivaie Rachman (Chairman) Lim Hock San BG (Ret) Chin Chow Yoon Foo Ko Hing
Remuneration committee	Lim Hock San (Chairman) Foo Ko Hing Rivaie Rachman
Joint company secretaries	Choo Kok Kiong Foo Soon Soo (resigned on 4 March 2013) Prisca Low Yim Leng (resigned on 4 March 2013)
Share registrar	KCK CorpServe Pte. Ltd. 333 North Bridge Road #08-00 KH KEA Building Singapore 188721
Principal bankers	United Overseas Bank Limited PT Bank CIMB Niaga Tbk Standard Chartered Bank Ltd
Independent auditor	Foo Kon Tan Grant Thornton LLP Certified Public Accountants 47 Hill Street #05-01 Singapore Chinese Chamber of Commerce & Industry Building Singapore 179365 Partner-in-charge : Kon Yin Tong Date of appointment : Since financial period ended 31 December 2008

Contents

Directors' report
for the financial year ended 31 December 2012

The Directors submit this annual report to the members together with the audited statement of financial position of the Company and consolidated financial statements of the Group for the financial year ended 31 December 2012.

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

Mr Lim Hock San (Non-Executive Chairman and Independent Director)
Mr Eugene Cho Park (Executive Director and Chief Executive Officer)
Mr Gianto Gunara (Executive Director)
Dr Tan Chin Nam (Non-Executive Director)
BG (Ret) Chin Chow Yoon (Non-Executive Director)
Mr Foo Ko Hing (Independent Director)
Mr Rivaie Rachman (Independent Director)

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

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

	Number of ordinary shares registered in the name of Director or nominee		Number of ordinary shares in which Director is deemed to have an interest	
	As at 1.1.2012	**As at 31.12.2012 and 21.1.2013**	As at 1.1.2012	**As at 31.12.2012 and 21.1.2013**
The Company				
Lim Hock San	-	**1,707,000**	-	**-**
Eugene Cho Park	100,000	**100,000**	657,011,738	**657,011,738**
Gianto Gunara	100,000	**100,000**	-	**-**

Directors' benefits
Since the end of the previous financial year, no Director has received or has become entitled to receive a benefit under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50, except as disclosed in Note 27 to the financial statements, and except that certain Directors have an employment relationship with the Company, and have received remuneration in that capacity.

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

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

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

Audit Committee
The Audit Committee comprises the following members:

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

The Audit Committee carried out its functions in accordance with Section 201B of the Companies Act, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance.

The Audit Committee reviewed the overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls. The Audit Committee also reviewed the consolidated financial statements of the Group and the financial statements of the Company for the financial year ended 31 December 2012 as well as the auditor's report thereon prior to consideration and approval by the Board, announcement of the unaudited results for quarterly, half-yearly and full year to SGX-ST and interested party transactions (as defined in the Listing Manual of the SGX-ST).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or Executive Officer to attend its meetings.

The Audit Committee has also conducted a review of the fees paid or payable to the auditors for non-audit services for financial year ended 31 December 2012. In pursuance with Section 206(1A) of the Companies Act, Cap. 50, and based on the review by the Audit Committee and its recommendation, the Board is also satisfied that the level of non-audit fees paid or payable to the auditors did not affect the independence of the auditors.

The Audit Committee has therefore recommended to the Board of Directors the nomination of Foo Kon Tan Grant Thornton LLP as external auditors at the forthcoming Annual General Meeting of the Company.

Independent auditor

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

On behalf of the Directors

……………………………………
EUGENE CHO PARK

……………………………………
GIANTO GUNARA

Dated: 8 April 2013

Statement by Directors
for the financial year ended 31 December 2012

In the opinion of the Directors, the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of state of affairs of the Company and of the Group as at 31 December 2012 and of the results, changes in equity and cash flows of the Group for the financial year ended on that date and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

……………………………………
EUGENE CHO PARK

……………………………………
GIANTO GUNARA

Dated: 8 April 2013

Independent auditor's report to the members of Gallant Venture Ltd.

Report on the financial statements

We have audited the accompanying financial statements of Gallant Venture Ltd. ("the Company") and of its subsidiaries ("the Group"), which comprise the statements of financial position of the Company and of the Group as at 31 December 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Independent auditor's report to the members of Gallant Venture Ltd. (cont'd)

Opinion

In our opinion, the statement of financial position of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012 and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Foo Kon Tan Grant Thornton LLP
Public Accountants and
Certified Public Accountants

Singapore, 8 April 2013

Statements of financial position
as at 31 December 2012

	Note	The Company 2012 $'000	The Company 2011 $'000	The Group 2012 $'000	The Group 2011 $'000
Assets					
Non-Current					
Intangible assets	4	**-**	30	**3,275**	1,344
Property, plant and equipment	5	**95**	169	**283,794**	307,665
Investment properties	6	**-**	-	**207,280**	232,437
Subsidiaries	7	**1,207,642**	1,207,642	**-**	-
Associates	8	**-**	-	**17,196**	15,454
Other investments	9	**-**	-	**-**	-
Deferred tax assets	10	**-**	-	**3,309**	4,198
Loan receivable	11	**-**	-	**47,500**	47,500
Notes receivables	12	**6,119**	279,556	**260,459**	279,556
Other non-current assets	13	**1,943**	34,827	**80,986**	37,322
		1,215,799	1,522,224	**903,799**	925,476
Current					
Land inventories	14	**-**	-	**585,796**	569,681
Other inventories	15	**-**	-	**11,320**	10,860
Trade and other receivables	16	**124,485**	125,134	**58,332**	44,993
Cash and bank balances	17	**4,494**	52,558	**66,769**	95,084
		128,979	177,692	**722,217**	720,618
Total assets		**1,344,778**	1,699,916	**1,626,016**	1,646,094
Equity and liabilities					
Share capital	18	**1,207,642**	1,207,642	**1,207,642**	1,207,642
Translation reserves		**-**	-	**(2,242)**	(1,461)
(Accumulated losses)/retained profits		**(14,433)**	(9,034)	**58,042**	46,960
Equity attributable to equity holders of the Company		**1,193,209**	1,198,608	**1,263,442**	1,253,141
Non-controlling interests		**-**	-	**23,512**	24,975
Total equity		**1,193,209**	1,198,608	**1,286,954**	1,278,116
Liabilities					
Non-Current					
Deposits from tenants/golf membership	19	**-**	-	**30,013**	31,856
Employee benefits liabilities	20	**-**	-	**8,359**	8,514
Deferred tax liabilities	21	**127**	411	**1,953**	2,082
Loans and borrowings	22	**-**	177,491	**211,933**	177,509
		127	177,902	**252,258**	219,961
Current					
Trade and other payables	23	**7,270**	35,766	**56,312**	64,847
Current tax payable		**24**	32	**3,399**	2,974
Loans and borrowings	22	**144,148**	287,608	**27,093**	80,196
		151,442	323,406	**86,804**	148,017
Total liabilities		**151,569**	501,308	**339,062**	367,978
Total equity and liabilities		**1,344,778**	1,699,916	**1,626,016**	1,646,094

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

Consolidated statement of comprehensive income
for the financial year ended 31 December 2012

	Note	**Year ended 31 December 2012 $'000**	Year ended 31 December 2011 $'000
Revenue	3	**204,229**	203,367
Cost of sales		**(160,824)**	(161,194)
Gross profit		**43,405**	42,173
Other income	24	**33,768**	29,611
General and administrative expenses		**(14,476)**	(13,405)
Other operating expenses	25	**(24,004)**	(25,848)
Share of associate companies' profits		**1,904**	744
Finance costs	26	**(18,531)**	(15,744)
Profit before taxation	27	**22,066**	17,531
Taxation	29	**(12,418)**	(10,927)
Profit after taxation		**9,648**	6,604
Other comprehensive income after taxation:	30		
- Currency translation differences		**(771)**	(607)
Total comprehensive income for the year		**8,877**	5,997
Profit attributable to:			
- Equity holders of the Company		**11,082**	8,284
- Non-controlling interests		**(1,434)**	(1,680)
		9,648	6,604
Total comprehensive income attributable to:			
- Equity holders of the Company		**10,301**	7,731
- Non-controlling interests		**(1,424)**	(1,734)
		8,877	5,997
Basic and diluted earnings per share (in cents)	31	**0.46**	0.34

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

Consolidated statement of changes in equity
for the financial year ended 31 December 2012

	Share capital $'000	Translation reserves $'000	Retained profits $'000	Attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2011	1,207,642	(908)	38,676	1,245,410	26,759	1,272,169
Total comprehensive income for the year	-	(553)	8,284	7,731	(1,734)	5,997
Dividends paid to non-controlling interests	-	-	-	-	(50)	(50)
Balance at 31 December 2011	**1,207,642**	**(1,461)**	**46,960**	**1,253,141**	**24,975**	**1,278,116**
Total comprehensive income for the year	**-**	**(781)**	**11,082**	**10,301**	**(1,424)**	**8,877**
Dividends paid to non-controlling interests	**-**	**-**	**-**	**-**	**(39)**	**(39)**
Balance at 31 December 2012	**1,207,642**	**(2,242)**	**58,042**	**1,263,442**	**23,512**	**1,286,954**

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

Consolidated statement of cash flows
for the financial year ended 31 December 2012

	Year ended 31 December 2012 $'000	Year ended 31 December 2011 $'000
Cash Flows from Operating Activities		
Profit before taxation	22,066	17,531
Adjustments for:		
Amortisation of intangible assets	177	160
Depreciation of property, plant and equipment and investment properties	53,530	54,654
Currency translation difference	(1,203)	(1,523)
Gain on disposal of investment property	-	(80)
Loss/(gain) on disposal of property, plant and equipment	458	(267)
Gain on disposal of a subsidiary	-	(21)
Impairment of trade and other receivables	564	1,260
Allowance for inventories obsolescence	8	5
Provision for employees' benefits	1,112	1,411
Interest expense	18,531	15,744
Interest income	(22,712)	(19,450)
Share of associates' profits	(1,904)	(744)
Operating profit before working capital changes	70,627	68,680
Increase in land inventories	(16,115)	(11,173)
(Increase)/decrease in other inventories	(467)	249
Increase in operating receivables	(15,710)	(7,181)
Decrease in operating payables	(15,798)	(3,681)
Cash generated from operating activities	22,537	46,894
Income tax paid	(3,970)	(10,569)
Employee benefits paid	(526)	(391)
Interest paid	(19,580)	(14,885)
Interest received	902	1,524
Deposits refunded to tenants/golf members	(1,844)	(3,442)
Net cash (used in)/generated from operating activities	(2,481)	19,131
Cash Flows from Investing Activities		
Acquisition of intangible assets	(2,108)	(101)
Acquisition of property, plant and equipment	(13,038)	(6,795)
Acquisition of investment properties	(39)	(720)
Dividend from associate	120	240
Proceeds from disposal of property, plant and equipment	3,620	1,245
Proceeds from sale of investment property	4,175	125
Acquisition of subsidiaries, net cash inflow on acquisition (Note A)	55	-
Disposal of a subsidiary, net cash outflow on disposal (Note B)	-	(7)
Deposits received	99	402
Net cash used in investing activities	(7,116)	(5,611)
Cash Flows from Financing Activities		
Proceeds from bank borrowings	243,353	312
Repayment of bank borrowings	(262,032)	(79,063)
Dividends paid to non-controlling interests	(39)	(50)
Net cash used in financing activities	(18,718)	(78,801)
Decrease in cash and cash equivalents	(28,315)	(65,281)
Cash and cash equivalents at beginning of year	95,084	160,365
Cash and cash equivalents at end of year (Note 17)	66,769	95,084

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

Consolidated statement of cash flows
for the financial year ended 31 December 2012 (cont'd)

Note A: Acquisition of subsidiaries

During the year, the Group acquired 100% equity interests in BU Holding Pte Ltd and Lagoi Dreams Limited, for a consideration of $230,000, in which they hold the entire interest in PT Taman Indah.

The final allocation of the purchase price to the identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination is currently being determined and has not been completed. In the meantime, a provisional goodwill of $2,020,000, which results from the difference between the purchase consideration and the adjusted carrying amounts of the assets and liabilities acquired, is reported under "Intangible assets".

The carrying value of assets and liabilities acquired were as follow:

	2012 $'000	2011 $'000
Net assets acquired of		
Bank balance	(285)	-
Trade and other receivables	(1,632)	-
Trade and other payables	3,707	-
Goodwill on acquisition	(2,020)	-
Cash consideration	(230)	-
Cash balance in subsidiaries acquired	285	-
Cash inflow on acquisition	55	-

Note B: Disposal of a subsidiary

In FY2011, the Group disposed of the entire equity interest in a subsidiary, BRF Holidays Pte Ltd. The carrying value of assets disposed and discharged were as follow:

	2012 $'000	2011 $'000
Net assets disposed of		
Property, plant and equipment	-	17
Bank balance	-	247
Trade and other receivables	-	75
Trade and other payables	-	(120)
Gain on disposal of a subsidiary	-	21
Cash consideration	-	240
Cash balance in subsidiary disposed	-	(247)
Cash outflow on acquisition	-	(7)

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

Notes to the financial statements
for the financial year ended 31 December 2012

1 General information

The financial statements of the Company and of the Group for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of the Directors on the date of the Statement by Directors.

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

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

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations to FRS ("INT FRS") promulgated by the Accounting Standards Council.

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

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

Critical judgements and key sources of estimation uncertainty

(i) Judgement

In the process of applying the Group's accounting policies, which are described below, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

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

(i) Judgement (cont'd)

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

Operating lease commitments - as lessor
The Group has entered into commercial property leases on its investment properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

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

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

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

(ii) Estimation uncertainty

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 as follows:

Employee benefits
An estimate for employee benefits liability involves actuarial assumptions and management estimates on discount rate, annual salary increases, mortality rate, retirement age, turnover rates and disability rates. The balances of employee benefits liabilities as at 31 December 2012 amounted to $8,359,000.

Allowance for bad and doubtful debts
Allowances for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

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

(ii) Estimation uncertainty (cont'd)

Depreciation of property, plant and equipment
Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 2 to 80 years. The carrying amount of the Company's and the Group's property, plant and equipment as at 31 December 2012 are $95,000 and $283,794,000 respectively. Changes in the expected level of usage could impact the economic useful lives of these assets, therefore future depreciation charges could be revised.

Impairment of goodwill
As at 31 December 2012, the carrying amount of goodwill is $3,184,000. The assessment of impairment of goodwill was determined based on the recoverable amount of the Group's cash-generating units ("CGU") according to business segments. The recoverable amount of the CGU is determined based on value-in-use calculation. This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. These cash flows projections are based on the future contributions from rental and utilities income in Bintan Island by the Group.

The estimated future cash flows are discounted to their present value using a pre-tax discount rate of 6.13% that reflects current market assessments of time value of money. The present value is not sensitive to changes in discount rates.

Impairment of investment in subsidiaries
Determining whether investment in subsidiaries is impaired requires an estimation of the value-in-use of that investment. The value-in-use calculation requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment based on such estimates and determined that no allowance for impairment of investment in subsidiaries is deemed required.

Impairment of property, plant and equipment
Property, plant and equipment is tested for impairment whenever there is any objective evidence or indication that the assets may be impaired. The recoverable amounts of the assets and where applicable, have been determined based on value-in-use calculations. The value-in-use calculation requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the impairment of property, plant and equipment on such estimates.

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

2(b) Interpretations and amendments to published standards effective in 2012

On 1 January 2012, the Group adopted the amended FRS and INT FRS that are mandatory for application from that date. This includes the following FRS and INT FRS, which are relevant to the Group:

Reference	**Description**
FRS 12	Deferred Tax - Recovery of Underlying Assets
FRS 107	Disclosures - Transfers of Financial Assets

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies nor any significant impact on these financial statements.

2(c) FRS not yet effective

The following are the new or amended FRS and INT FRS issued in 2012 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual period beginning on or after)
Amendments to FRS 1	Presentation of items of Other Comprehensive Income	1 July 2012
Revised FRS 19	Employee Benefits	1 January 2013
Amendments to FRS 107	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Improvements to FRSs 2012		
- Amendments to FRS 1	Presentation of Financial Statements	1 January 2013
- Amendments to FRS 16	Property, Plant and Equipment	1 January 2013
- Amendments to FRS 32	Financial Instruments: Presentation	1 January 2013
Revised FRS 27	Separate Financial Statements	1 January 2014
Revised FRS 28	Investments in Associates and Joint Ventures	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosure of Interests in Other Entities	1 January 2014
FRS 113	Fair Value Measurement	1 January 2013
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014

Except for the amendments to FRS 1, the Directors do not anticipate that the adoption of the above FRS in future periods will have a material impact on the financial statements of the Company and the Group in the period of their initial adoption.

The nature of the impending changes in accounting policy on adoption of the amendments to FRS 1 is described below.

Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*
The amendments to FRS 1 *Presentation of Items of Other Comprehensive Income* (OCI) are effective for financial periods beginning on or after 1 July 2012.

The amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be classified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

FRS 113 *Fair Value Measurement*
FRS 113 *Fair Value Measurement* provides a single source of guidance for all fair value measurements. FRS 113 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted by FRS.

2(d) Summary of significant accounting policies

Consolidation
The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial year. Information on its subsidiaries is given in Note 7.

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

<u>Acquisition of businesses</u>
The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets - Goodwill" for the subsequent accounting policy on goodwill.

<u>Disposals of subsidiaries or businesses</u>
When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

2(d) Summary of significant accounting policies (cont'd)

Consolidation (cont'd)
Transactions with non-controlling interests
Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

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

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

Goodwill
Goodwill acquired in a business combination represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable asset acquired. Goodwill is measured at cost less any accumulated impairment losses. Goodwill is recognised separately as intangible assets and carried at cost less any accumulated impairment losses.

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

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

	Years
Leasehold land	15 - 80
Land improvements	20
Landfill	3
Building and infrastructures	3 - 30
Golf course	36 - 45
Utilities plant and machinery	3 - 30
Machinery and equipment	3 - 15
Vessels and ferry equipment	4 - 15
Working wharf	3
Transportation equipment and vehicles	3 - 7
Medical equipment	7
Furniture, fixtures and equipment	1.5 - 10
Office equipment	2 - 5
Resort equipment	3 - 5
Reservoir	30
Telecommunication equipment	10 - 30
Leasehold improvements	5

2(d) Summary of significant accounting policies (cont'd)

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

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

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

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

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

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

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

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

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

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

2(d) Summary of significant accounting policies (cont'd)

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

Subsidiaries
A subsidiary is an entity controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether there is control.

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

Associates
An associate is defined as a company, not being a subsidiary or jointly controlled entity, in which the Group has significant influence, but not control, over its financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates at company level are stated at cost. Allowance is made for any impairment losses on an individual company basis.

In applying the equity method of accounting, the Group's share of the post-acquisition profit or loss of associates, based on the coterminous financial statements, is included in the profit or loss and its shares of post-acquisition other comprehensive income is recognised in other comprehensive income. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.
When the Group's share of losses of an associate equals or exceeds the carrying amount of an investment, the Group ordinarily discontinues including its share of further losses. The investment is reported at nil value. Additional losses are provided for to the extent that the Group has incurred obligations or payments on behalf of the associate to satisfy obligations of the associate that the Group has guaranteed or otherwise committed, for example, in the forms of loans. When the associate subsequently reports profits, the Group resumes including its share of those profits only after its share of the profits equals the share of net losses recognised.

The Group's share of the net assets and post-acquisition retained profits and reserves of associates is reflected in the book values of the investments in the consolidated statement of financial position.

Where the accounting policies of an associate do not conform to those of the Company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

On acquisition of the investment, any difference between the cost of acquisition and the Group's share of the fair values of the net identifiable assets of the associate is accounted for in accordance with the accounting policies on "Consolidation" and "Goodwill".

When financial statements of associates with different reporting dates are used (not more than three months apart), adjustments are made for the effects of any significant events or transactions between the investor and the associates that occur between the date of the associates' financial statements and the end of reporting period. Where this occurs, the reporting date of the financial statements of the associate shall be disclosed, together with the reason for using a different reporting period.

2(d) Summary of significant accounting policies (cont'd)

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

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

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

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

Other inventories
Other inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Allowance is made for obsolete, slow moving or defective inventory in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

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

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

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

An assessment for impairment is undertaken at least at end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

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

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

2(d) Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Loans and receivables

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

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

Available-for-sale financial assets

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

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

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

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

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

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

The Group's available-for-sale financial asset is shown in Note 9.

2(d) Summary of significant accounting policies (cont'd)

Financial assets (cont'd)
Determination of fair value
The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

Golf membership
Golf membership is measured initially at cost. Subsequent to initial recognition, golf membership is stated at cost less any accumulated impairment losses.

The carrying value of golf membership is reviewed annually for impairment when an indicator of impairment arises during the reported period indicating that the carrying value may not be recoverable.

Cash and cash equivalents
Cash and cash equivalents include cash on hand and bank deposits which are subject to an insignificant risk of change in value.

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

Financial liabilities
The Group's financial liabilities include loans and borrowings and trade and other payables.

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

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

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

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

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

2(d) Summary of significant accounting policies (cont'd)

Provisions
Provisions are recognised when the Company and the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The Directors review provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

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

Where the Company/Group is the lessor
Assets leased out under operating leases are included under investment properties (see policy on investment properties). Rental income (net of any incentives given to lessees) on operating leases is recognised on a straight-line basis over the lease term (see policy on revenue recognition).

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

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

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

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

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

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

2(d) Summary of significant accounting policies (cont'd)

Income taxes (cont'd)
The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the subsidiaries' 5 years projections, which is adjusted for significant non-taxable incomes and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in numerous jurisdictions in which the Group operates are also carefully taken into consideration.

In compliance with Government Regulation No. 5/2002 dated 23 March 2002 of the Republic of Indonesia, each payment of building rentals is subject to final tax of 10% from the gross rental amount starting 1 May 2002.

Current and deferred income taxes are recognised as income or expense in the profit or loss.

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

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

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

Employee leave entitlements
Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability for unconsumed leave as a result of services rendered by employees up to the reporting period.Provisions for employee service entitlements
The Group has recognised unfunded employee benefits liability in accordance with Indonesian Labor Law No. 13/2003 dated 25 March 2003 ("the Law").

The cost of providing employee benefits under the Law is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceeded 10% of the higher of the present value of defined obligation. These gains or losses are recognised over the expected average remaining working lives of the employees. Further, part service costs arising from the introduction of a defined benefit plan or changes in the benefits payable of an existing plan are required to be amortised on a straight-line basis over the period until the benefits concerned become vested.

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

2(d) Summary of significant accounting policies (cont'd)

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

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

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

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

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

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

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued assets was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

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

2(d) Summary of significant accounting policies (cont'd)

Related parties
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from services is recognised when service has been rendered. Revenue from the sale of goods is recognised when all significant risks and rewards of ownership of the goods have been passed to the customers. The following specific recognition criteria must also be met before revenue is recognised:

Sales of land and building
Revenue from the sale of land and building should be recognised when all the following conditions have been satisfied:

(a) The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;

(b) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(c) The amount of revenue can be measured reliably;

(d) It is probable that the economic benefits associated with the transaction will flow to the enterprise; and

(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group also considers the means of payment and evidence of the buyer's commitment to complete payment, for example, when the aggregate of the payments received, including the buyer's initial down payment, or continuing payments by the buyer, provide insufficient evidence of the buyer's commitment to complete payment.

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

Resort operations and ferry services
Revenue is recognised when the services are rendered.

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

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

2(d) Summary of significant accounting policies (cont'd)

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

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

Utilities revenue
Revenue from electricity and water supply is recognised upon delivery.

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

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

Capitalisation of borrowing costs
Interest costs and similar charges are expensed in the profit or loss in the period in which they are incurred, except to the extent that they are capitalised as being attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to prepare for its intended use or sale. Foreign exchange differences arising from foreign currency borrowings are capitalised to the extent that they are regarded as an adjustment to interest costs. Capitalisation of borrowing costs will cease when all the activities necessary to prepare the asset for its intended use or sale are substantially completed.

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

Conversion of foreign currencies
Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in the profit or loss, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the profit or loss as part of the gain or loss on disposal of the foreign operation.

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

2(d) Summary of significant accounting policies (cont'd)

Conversion of foreign currencies (cont'd)
Group entities
The results and financial position of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

(ii) Income and expenses are translated at average exchange rates; and

(iii) All resulting currency translation differences are recognised in the currency translation reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the end of reporting period.

Financial instruments
Financial instruments carried on the statement of financial position include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures on financial risk management objectives and policies are provided in Note 36.

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

3 Revenue

Revenue of the Group consists of income from operations of industrial park, utilities, resort and property development. The segmental analysis is given in Note 35.

Revenue excludes applicable goods and services tax and inter-company transactions and is arrived at after deduction of any trade discounts.

4 Intangible assets

The Company	Goodwill $'000	Computer software $'000	Total $'000
Cost			
At 1 January 2011, at 31 December 2011 and **at 31 December 2012**	**-**	**107**	**107**
Accumulated amortisation			
At 1 January 2011	-	44	44
Amortisation for the year	-	33	33
At 31 December 2011	**-**	**77**	**77**
Amortisation for the year	**-**	**30**	**30**
At 31 December 2012	**-**	**107**	**107**
Net book value			
At 31 December 2012	**-**	**-**	**-**
At 31 December 2011	-	30	30

The Group	Goodwill $'000	Computer software $'000	Total $'000
Cost			
At 1 January 2011	1,164	965	2,129
Additions	-	101	101
At 31 December 2011	**1,164**	**1,066**	**2,230**
Additions	**2,020**	**88**	**2,108**
At 31 December 2012	**3,184**	**1,154**	**4,338**
Accumulated amortisation			
At 1 January 2011	-	726	726
Amortisation for the year	-	160	160
At 31 December 2011	**-**	**886**	**886**
Amortisation for the year	**-**	**177**	**177**
At 31 December 2012	**-**	**1,063**	**1,063**
Net book value			
At 31 December 2012	**3,184**	**91**	**3,275**
At 31 December 2011	1,164	180	1,344

Goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segments. Goodwill is solely allocated to property development segment.

The recoverable amount of a CGU was determined based on value-in-use calculation. This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. These cash flows projections are based on future contributions from rental and utilities income in Bintan Island by the Group and were based on the following assumptions:

- Cash flows were projected based on actual operating results and the five-year business plan.
- A pre-tax discount of 6.13% was applied in determining the recoverable amount. The discount rate reflects the current market assessments of time value of money.

5 Property, plant and equipment

The Company	Furniture, fixtures and equipment $'000	Office equipment $'000	Leasehold improve-ments $'000	Total $'000
Cost				
At 1 January 2011	113	218	357	688
Additions	1	9	-	10
Disposals	(9)	(28)	-	(37)
At 31 December 2011	**105**	**199**	**357**	**661**
Additions	**31**	**1**	**-**	**32**
Disposals	**(57)**	**(6)**	**-**	**(63)**
At 31 December 2012	**79**	**194**	**357**	**630**
Accumulated depreciation				
At 1 January 2011	96	150	155	401
Depreciation for the year	11	45	71	127
Disposals	(8)	(28)	-	(36)
At 31 December 2011	**99**	**167**	**226**	**492**
Depreciation for the year	**10**	**23**	**72**	**105**
Disposals	**(57)**	**(5)**	**-**	**(62)**
At 31 December 2012	**52**	**185**	**298**	**535**
Net book value				
At 31 December 2012	**27**	**9**	**59**	**95**
At 31 December 2011	6	32	131	169

The Group	Balance at 1.1.2012 $'000	Exchange translation difference $'000	Additions $'000	Reclassifi-cation/ transfers $'000	Disposals $'000	Balance at 31.12.2012 $'000
Cost						
Leasehold land	**99,940**	**-**	**-**	**-**	**(1,480)**	**98,460**
Land improvements	**4,951**	**-**	**-**	**225**	**-**	**5,176**
Landfill	**4,590**	**-**	**-**	**(347)**	**(1)**	**4,242**
Building and infrastructures	**223,993**	**-**	**217**	**1,862**	**(9,032)**	**217,040**
Golf course	**25,307**	**-**	**-**	**-**	**-**	**25,307**
Utilities plant and machinery	**305,727**	**-**	**57**	**2,355**	**-**	**308,139**
Machinery and equipment	**55,079**	**-**	**-**	**3,449**	**-**	**58,528**
Vessels and ferry equipment	**51,245**	**-**	**259**	**168**	**(196)**	**51,476**
Working wharf	**1,685**	**-**	**-**	**-**	**-**	**1,685**
Transportation equipment and vehicles	**6,949**	**-**	**136**	**(840)**	**(254)**	**5,991**
Medical equipment	**797**	**-**	**22**	**-**	**-**	**819**
Furniture, fixtures and equipment	**28,411**	**-**	**361**	**853**	**(4,495)**	**25,130**
Office equipment	**5,813**	**-**	**88**	**(241)**	**(1,253)**	**4,407**
Resort equipment	**2,286**	**-**	**48**	**734**	**(659)**	**2,409**
Reservoir	**13,461**	**-**	**-**	**(3,748)**	**-**	**9,713**
Telecommunications equipment	**11,700**	**-**	**478**	**180**	**-**	**12,358**
Leasehold improvements	**1,032**	**-**	**-**	**-**	**-**	**1,032**
Construction-in-progress	**4,260**	**(24)**	**11,372**	**(6,200)**	**-**	**9,408**
Total	**847,226**	**(24)**	**13,038**	**(1,550)**	**(17,370)**	**841,320**

5 Property, plant and equipment (cont'd)

The Group	Balance at 1.1.2012 $'000	Exchange translation difference $'000	Depreciation for the year $'000	Reclassification/ Transfers $'000	Disposals $'000	Balance at 31.12.2012 $'000
Accumulated depreciation						
Leasehold land	**30,809**	**-**	**1,793**	**-**	**(268)**	**32,334**
Land improvements	**3,269**	**-**	**248**	**225**	**-**	**3,742**
Landfill	**1,876**	**-**	**288**	**(347)**	**(1)**	**1,816**
Building and infrastructures	**152,246**	**8**	**9,635**	**1,304**	**(6,307)**	**156,886**
Golf course	**9,758**	**-**	**544**	**-**	**-**	**10,302**
Utilities plant and machinery	**215,543**	**-**	**11,015**	**-**	**-**	**226,558**
Machinery and equipment	**49,760**	**-**	**1,279**	**1,490**	**-**	**52,529**
Vessels and ferry equipment	**22,917**	**-**	**3,077**	**90**	**(188)**	**25,896**
Working wharf	**1,685**	**-**	**-**	**-**	**-**	**1,685**
Transportation equipment and vehicles	**6,265**	**2**	**308**	**(1,009)**	**(243)**	**5,323**
Medical equipment	**716**	**-**	**17**	**-**	**-**	**733**
Furniture, fixtures and equipment	**22,571**	**10**	**1,458**	**(216)**	**(4,414)**	**19,409**
Office equipment	**4,509**	**-**	**467**	**(242)**	**(1,234)**	**3,500**
Resort equipment	**2,075**	**-**	**61**	**750**	**(637)**	**2,249**
Reservoir	**7,249**	**-**	**353**	**(2,124)**	**-**	**5,478**
Telecommunications equipment	**7,281**	**244**	**529**	**-**	**-**	**8,054**
Leasehold improvements	**1,032**	**-**	**-**	**-**	**-**	**1,032**
Total	**539,561**	**264**	**31,072**	**(79)**	**(13,292)**	**557,526**

The Group	Balance at 1.1.2012 $'000	Balance at 31.12.2012 $'000
Net book value		
Leasehold land	69,131	**66,126**
Land improvements	1,682	**1,434**
Landfill	2,714	**2,426**
Building and infrastructures	71,747	**60,154**
Golf course	15,549	**15,005**
Utilities plant and machinery	90,184	**81,581**
Machinery and equipment	5,319	**5,999**
Vessels and ferry equipment	28,328	**25,580**
Working wharf	-	**-**
Transportation equipment and vehicles	684	**668**
Medical equipment	81	**86**
Furniture, fixtures and equipment	5,840	**5,721**
Office equipment	1,304	**907**
Resort equipment	211	**160**
Reservoir	6,212	**4,235**
Telecommunications equipment	4,419	**4,304**
Leasehold improvements	-	**-**
Construction-in-progress	4,260	**9,408**
Total	307,665	**283,794**

5 Property, plant and equipment (cont'd)

The Group	Balance at 1.1.2011 $'000	Exchange translation difference $'000	Additions $'000	Reclassifi-cation/ transfers $'000	Disposals $'000	Balance at 31.12.2011 $'000
Cost						
Leasehold land	99,963	-	340	-	(363)	99,940
Land improvements	4,710	-	-	241	-	4,951
Landfill	1,572	-	-	3,018	-	4,590
Building and infrastructures	221,710	-	56	3,511	(1,284)	223,993
Golf course	25,307	-	-	-	-	25,307
Utilities plant and machinery	305,310	-	56	361	-	305,727
Machinery and equipment	55,079	-	-	-	-	55,079
Vessels and ferry equipment	51,114	-	132	(1)	-	51,245
Working wharf	1,685	-	-	-	-	1,685
Transportation equipment and vehicles	6,466	-	476	59	(52)	6,949
Medical equipment	797	-	-	-	-	797
Furniture, fixtures and equipment	26,946	-	799	1,042	(376)	28,411
Office equipment	5,993	-	211	(27)	(364)	5,813
Resort equipment	2,286	-	-	-	-	2,286
Reservoir	12,734	-	-	727	-	13,461
Telecommunications equipment	11,247	6	406	41	-	11,700
Leasehold improvements	1,032	-	-	-	-	1,032
Construction-in-progress	9,170	(22)	4,319	(9,207)	-	4,260
Total	843,121	(16)	6,795	(235)	(2,439)	847,226

The Group	Balance at 1.1.2011 $'000	Exchange translation difference $'000	Depreciation for the year $'000	Reclassifi-cation/ Transfers $'000	Disposals $'000	Balance at 31.12.2011 $'000
Accumulated depreciation						
Leasehold land	29,055	-	1,811	-	(57)	30,809
Land improvements	3,020	-	249	-	-	3,269
Landfill	1,572	-	304	-	-	1,876
Building and infrastructures	142,588	-	10,268	-	(610)	152,246
Golf course	9,212	-	546	-	-	9,758
Utilities plant and machinery	204,443	-	11,100	-	-	215,543
Machinery and equipment	48,627	-	1,175	-	(42)	49,760
Vessels and ferry equipment	19,880	-	3,037	-	-	22,917
Working wharf	1,685	-	-	-	-	1,685
Transportation equipment and vehicles	5,924	-	350	-	(9)	6,265
Medical equipment	699	-	17	-	-	716
Furniture, fixtures and equipment	20,929	-	2,016	-	(374)	22,571
Office equipment	4,361	-	528	(11)	(369)	4,509
Resort equipment	1,962	-	113	-	-	2,075
Reservoir	6,787	-	462	-	-	7,249
Telecommunications equipment	6,757	(4)	528	-	-	7,281
Leasehold improvements	1,032	-	-	-	-	1,032
Total	508,533	(4)	32,504	(11)	(1,461)	539,561

5 Property, plant and equipment (cont'd)

The Group	Balance at 1.1.2011 $'000	Balance at 31.12.2011 $'000
Net book value		
Leasehold land	70,908	69,131
Land improvements	1,690	1,682
Landfill	-	2,714
Building and infrastructures	79,122	71,747
Golf course	16,095	15,549
Utilities plant and machinery	100,867	90,184
Machinery and equipment	6,452	5,319
Vessels and ferry equipment	31,234	28,328
Working wharf	-	-
Transportation equipment and vehicles	542	684
Medical equipment	98	81
Furniture, fixtures and equipment	6,017	5,840
Office equipment	1,632	1,304
Resort equipment	324	211
Reservoir	5,947	6,212
Telecommunications equipment	4,490	4,419
Leasehold improvements	-	-
Construction-in-progress	9,170	4,260
Total	334,588	307,665

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

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

HGB	Expiration date
Land parcels AU1	13 December 2023 (66 ha)
Land parcels BT1a	16 February 2025 (70.95 ha)
Land parcels WR1	16 February 2025 (1,560 ha)

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

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

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

HGB	Expiration date
PT Bintan Inti Industrial Estate (269.6 ha excluding land sold)	24 August 2025 (260.08 ha) and 13 December 2023 (9.52 ha)

5 Property, plant and equipment (cont'd)

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

As at 31 December 2012, construction-in-progress at the Industrial Parks amounting to $2,890,000 (2011 - $2,243,000) includes all costs related to the construction of the industrial complex and supporting infrastructures and amenities. The accumulated costs will be transferred to the appropriate property and equipment and investment property accounts upon completion of the specific phases of the Project.

As at 31 December 2012, construction-in-progress at the Executive Village amounting to $1,242,000 (2011 - $1,029,000) represents all preliminary costs related to the construction of condominium phase 3A and for golf course phase 2 such as design, soil investigation and consultation fee.

The remaining balance of construction-in-progress represents mainly all preliminary costs related to the construction of urban beach centre in Bintan Island which amounted to $5,276,000 (2011 - $988,000).

6 Investment properties

The Group	**2012 $'000**	2011 $'000
Cost		
Balance at beginning of year	**573,822**	573,029
Additions	**39**	720
Disposals	**(5,678)**	(106)
Transfer from construction-in-progress	**1,437**	179
Balance at end of year	**569,620**	573,822
Accumulated depreciation		
Balance at beginning of year	**341,385**	319,296
Depreciation for the year	**22,458**	22,150
Disposals	**(1,503)**	(61)
Balance at end of year	**362,340**	341,385
Net book value	**207,280**	232,437

Details of the investment properties are as follows:

Description and location	Gross Area (approximately)
Factories, dormitories, commercial complex and housing in Batamindo Industrial Park, Batamindo Executive Village and Bintan Inti Industrial Estate situated at Batam Island and Bintan Island	926,616 sqm

As of 31 December 2012, the fair value of the investment properties of $497,467,000 were based on valuation using the income approach/cost approach by independent professional valuers, KJPP Rengganis, Hamid & Rekan after taking into consideration the prevailing market conditions and other factors considered appropriate by the Directors, except for PT Batamindo Executive Village (BEV)'s investment properties. The net carrying values of BEV's investment properties as of 31 December 2012 amounted to $12,592,000 (2011 - $13,866,000) which approximates fair value based on management's estimates.

7 Subsidiaries

The Company	**2012 $'000**	2011 $'000
Unquoted equity investments, at cost	**1,207,642**	1,207,642

The subsidiaries as at 31 December 2012 are as follows:

Name of subsidiaries	Country of incorporation/ principal place of business	Cost of investment		Percentage of effective interest		Principal activities
		2012 $'000	2011 $'000	**2012 %**	2011 %	
Directly held						
PT Batamindo Investment Cakrawala ("PT BIC") (1)	Indonesia	**463,663**	463,663	**99.99**	99.99	Development and management of industrial estate
Verizon Resorts Limited ("VRL") (2)	Malaysia	**613,341**	613,341	**100**	100	Investment holding
PT Bintan Inti Industrial Estate ("PT BIIE") (1) (a)	Indonesia	**117,439**	117,439	**100**	100	Development, operation, maintenance and management of Bintan Industrial Estate together with the supporting infrastructure support activities
PT Bintan Resort Cakrawala ("PT BRC") (1) (b)	Indonesia	**5,569**	5,569	**86.77**	86.77	Development and operation of a tourism area in Bintan including the sale of land in such area
Bintan Resort Ferries Private Limited ("BRF") (4) (c)	Singapore	**5,200**	5,200	**90.74**	90.74	Provision of ferry services between Singapore and Bintan
Win Field Ltd (5) (g) (k)	British Virgin Islands	**-**	-	**100**	-	Investment holding
Indirectly held through PT BIC						
PT Batamindo Executive Village ("PT BEV") (1)	Indonesia	**-**	-	**60**	60	Development and operation of Southlinks Country Club and Batam Executive Village, an integrated complex consisting of golf course, condominiums, cottages and other social facilities
PT Batam Bintan Telekomunikasi ("PT BBT") (1)	Indonesia	**-**	-	**95**	95	Telecommunications service provider
Batamindo Medical Management Pte Ltd (5) (h)	Singapore	**-**	-	**100**	100	Dormant

7 Subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation/ principal place of business	Cost of investment		Percentage of effective interest		Principal activities
		2012 $'000	2011 $'000	**2012 %**	2011 %	
Indirectly held through VRL						
PT Surya Bangunpertiwi ("PT SBP") (3)	Indonesia	**-**	-	**99.99**	99.99	Wholesaler of hotels, resorts and golf courses
PT Buana Megawisatama ("PT BMW") (3)	Indonesia	**-**	-	**99.99**	99.99	Wholesaler of hotels, resorts and golf courses, resort development activities and business management consultancy
PT Suakajaya Indowahana ("PT SI") (3) (d)	Indonesia	**2,430**	2,430	**100**	100	Trading, industry, development and services
Batamindo Investment (S) Ltd ("BIS") (4) (e)	Singapore	**-**	-	**100**	100	Management consultancy services
Bintan Resorts International Pte. Ltd. ("BRI") (4) (f)	Singapore	**-**	-	**100**	100	Marketing and providing support services to PT BRC and PT BMW
Golf View Limited (5)	Seychelles	**-**	-	**100**	100	Investment holding
Crystal Grace International Ltd (5) (g)	British Virgin Islands	**-**	-	**100**	100	Investment holding
Treasure Home Ltd (5) (g)	British Virgin Islands	**-**	-	**100**	100	Investment holding
Win Field Ltd (5) (g) (k)	British Virgin Islands	**-**	-	**-**	100	Investment holding
Starhome Ltd (5) (g)	British Virgin Islands	**-**	-	**100**	100	Investment holding
Indirectly held through PT BMW						
BU Holding Pte Ltd (4) (j)	Singapore	**-**	-	**100**	-	Investment holding
Lagoi Dreams Limited (5) (j)	Indonesia	**-**	-	**100**	-	Investment holding
PT Taman Indah (3) (j)	Indonesia	**-**	-	**100**	-	Housing and office development and building management
Indirectly held through Winfield Ltd						
Bintan Power Pte. Ltd. (i)	Singapore	**-**	-	**100**	-	Investment holding
		1,207,642	1,207,642			

7 Subsidiaries (cont'd)

(a) The Company has an interest of 40% in PT BIIE and the balance of 60% is held by PT BIC.

(b) The Company has a direct interest of 3.69% in PT BRC, while a subsidiary, VRL, has an interest of 67.83% in PT BRC, and another subsidiary, PT SI, has an interest of 15.25% in PT BRC. The effective interest of equity held by the Group is 86.77%.

(c) The Company has a direct interest of 30% in BRF whilst its subsidiary, PT BRC, has an interest of 70%. The effective interest of equity held by the Group is 90.74%.

(d) In 2007, the Company acquired a direct interest of 20% in PT SI for a purchase consideration of $2,430,000 satisfied in full by the issuance of 2,059,372 ordinary shares at the issue price of approximately $1.18 per share, whilst its subsidiary, VRL, has an interest of 80%. The effective interest of equity held by the Group is 100%.

(e) In 2007, PT BIC transferred its entire interest of 100% in BIS to VRL. As a result, BIS became a wholly-owned subsidiary of VRL.

(f) In 2008, the Company's wholly-owned subsidiary, VRL, has incorporated BRI in Singapore.

(g) In 2008, the Company's wholly-owned subsidiary, VRL, has incorporated Crystal Grace International Ltd, Treasure Home Ltd, Win Field Ltd and Starhome Ltd in British Virgin Islands ("BVI").

(h) In 2011, PT BIC acquired the remaining 50% of issued share capital of Batamindo Medical Management Pte Ltd ("BMM") for a consideration of $1, making BMM a wholly-owned subsidiary. BMM has been struck off the Register of Companies with effect from 8 January 2013 (see Note 40).

(i) During the year, the Company has incorporated Bintan Power Pte. Ltd. ("BP") in Singapore and BP was transferred to Win Field Ltd for a consideration of $1.

(j) During the year, the Company's subsidiary, PT BMW, has acquired 100% equity interests in BU Holding Pte Ltd and Lagoi Dreams Limited, for a consideration of $230,000, in which they hold the entire interest in PT Taman Indah.

(k) During the year, VRL transferred its wholly-owned subsidiary, Win Field Ltd to the Company for a consideration of $1.36.

(1) Audited by Gani Mulyadi & Handayani, a member firm of Grant Thornton International Limited

(2) Audited by Crowe Horwath (Labuan) LLP

(3) Audited by Drs Johan Malonda Mustika & Rekan

(4) Audited by Foo Kon Tan Grant Thornton LLP

(5) Not required to be audited by law in the country of incorporation

Shares held in PT BIC are pledged as collateral to secure bank loans as disclosed under Note 22 - "Loans and borrowings".

8 Associates

The Group	**2012 $'000**	2011 $'000
Unquoted equity investments, at cost	**14,709**	14,709
Exchange translation difference	**(42)**	1
Share of post-acquisition reserves	**2,529**	744
	17,196	15,454

The associates are as follows:

Name	Country of incorporation/ principal place of business	Percentage of effective interest 2012 %	2011 %	Principal activities
Held by PT BIC				
PT Soxal Batamindo Industrial Gases (1)	Indonesia	**30**	30	Production and sale of industrial gases
Batamindo Carriers Pte Ltd (2)	Singapore	**36**	36	Provision of ship and boat chartering services
Gallant Power and Resources Limited (3) (4)	British Virgin Islands	**49**	49	Investment holding
Held by PT SI				
Bintan Resort Management Pte Ltd (3) (5)	Singapore	**40**	40	Dormant

(1) Audited by Purwantono, Suherman & Surja

(2) Audited by KPMG, Singapore

(3) Not required to be audited in the country of incorporation

(4) In 2008, the Company's wholly-owned subsidiary, VRL incorporated Gallant Power and Resources Limited ("GPR"). On 20 July 2009, VRL transferred its 100 shares (US$100) of GPR to PT BIC and subsequently, PT BIC increased its ownership in GPR by issuing additional 19,999,900 ordinary shares (US$19,999,900). GPR also entered into a Joint Venture with Salim Group to subscribe for a US$20 million Convertible Bond issued by PT Sebuku Iron Lateritic Ores - an iron-ore and coal mining company in Kalimantan island, Indonesia. The Joint Venture shareholders are Salim Group's Top Union (49%), Salim Group's Dornier Profits (2%) and PT BIC (49%).

On 24 August 2009, Top Union and Dornier Profits exercised the put/call option and acquired their 49% and 2%, respectively, stake in GPR.

(5) Bintan Resort Management Pte Ltd has been struck off the Register of Companies with effect from 6 March 2013 (see Note 40).

8 Associates (cont'd)

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, are as follows:

	2012 $'000	2011 $'000
Current assets	**1,415**	1,329
Non-current assets	**35,625**	32,344
Current liabilities	**(1,396)**	(1,486)
Non-current liabilities	**-**	-
Net assets	**35,644**	32,187

Share of associates' revenue, net profit and dividends:

	2012 $'000	2011 $'000
Revenue	**1,543**	1,381
Net profit	**1,904**	744
Dividends	**(120)**	(240)

There is no share of associates' contingent liabilities as at end of reporting period.

9 Other investments

The Group	2012 $'000	2011 $'000
Unquoted equity investments, at cost	**10,000**	10,000
Allowance for impairment losses	**(10,000)**	(10,000)
	-	-

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

10 Deferred tax assets

The Group	2012 $'000	2011 $'000
Balance at beginning of year	**4,198**	4,286
Foreign exchange difference	**(143)**	(8)
Charged to profit or loss (Note 29)	**(746)**	(80)
Balance at end of year	**3,309**	4,198

10 Deferred tax assets (cont'd)

The balance comprises tax on:

The Group	Balance at 1 January 2012 $'000	Credited/ (charged) to profit or loss $'000	Foreign exchange difference $'000	Balance at 31 December 2012 $'000
Fiscal loss net of expired tax loss	**4,790**	**-**	**(109)**	**4,681**
Estimated liability for employee service entitlements	**886**	**138**	**(98)**	**926**
Allowance for doubtful debts	**600**	**(750)**	**-**	**(150)**
Allowance for impairment loss of investments	**2,500**	**-**	**-**	**2,500**
Valuation allowance	**(3,867)**	**-**	**-**	**(3,867)**
Property, plant and equipment	**(711)**	**(134)**	**64**	**(781)**
	4,198	**(746)**	**(143)**	**3,309**

The Group	Balance at 1 January 2011 $'000	Credited/ (charged) to profit or loss $'000	Foreign exchange difference $'000	Balance at 31 December 2011 $'000
Fiscal loss net of expired tax loss	4,804	-	(14)	4,790
Estimated liability for employee service entitlements	747	145	(6)	886
Allowance for doubtful debts	600	-	-	600
Allowance for impairment loss of investments	2,500	-	-	2,500
Valuation allowance	(3,867)	-	-	(3,867)
Property, plant and equipment	(498)	(225)	12	(711)
	4,286	(80)	(8)	4,198

11 Loan receivable

The Group	**2012 $'000**	2011 $'000
Loan receivable		
Not later than one year	**-**	-
Later than one year and not later than five years	**47,500**	47,500
Later than five years	**-**	-
	47,500	47,500

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

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

11 Loan receivable (cont'd)

On 3 September 2010, PT AIB made another repayment of principal and interest amounting to approximately $13,600,000 and reduced the balance of the convertible bond to $47,500,000. The tenure of the convertible bond has been extended to 31 December 2013, though it is expected to be recovered after that. The interest on the extended loan is at the rate of 4.6% above the SIBOR on a quarterly basis per annum.

The conversion of the loan receivable from PT AIB into PT AIB shares would result in VRL holding approximately 47.4% of the enlarged issued share capital of PT AIB. In that event, PT AIB will become an associate of VRL.

The loan receivable is denominated in Singapore dollars.

12 Notes receivables

	The Company		The Group	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Notes receivable from Market Strength Limited [(1)]	**-**	273,061	**254,340**	273,061
Notes receivable from Super Concord Holdings Limited [(2)]	**6,119**	6,495	**6,119**	6,495
	6,119	279,556	**260,459**	279,556

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

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

It matures in February 2018 (previously December 2014).

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

Each warrant entitles the Group to subscribe for one new share in MSL at an exercise price for each new share equal to its par value. The exercise price for each warrant (which is subject to adjustment under certain circumstances) is US$1 and the aggregate exercise price for the warrants is US$202,500,000. Payment of the exercise price shall be made in cash or notes of principal amount equal to the full amount of the exercise price payable in respect of the warrants exercised, or a combination of both. At 31 December 2012, all the warrants remain unexercised.

(2) On 30 September 2010, the Company entered into an assignment agreement with MSL, whereas MSL agreed to assign US$5,000,000 notes receivable from Super Concord Holdings Limited to the Company as a discharge of MSL's debt to the Company. The notes bear interest at 9% per annum and are due on 1 December 2014.

13 Other non-current assets

	The Company		The Group	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Golf membership [1]	**-**	-	**1,680**	1,983
Allowance for impairment loss	**-**	-	**-**	(303)
	-	-	**1,680**	1,680
Estimated claims for income tax refund	**-**	-	**126**	185
Deposits paid	**-**	-	**644**	630
Interest receivable from notes (Note 12)	**1,943**	30,731	**73,100**	30,731
Recoverable from MSL	**-**	4,096	**5,436**	4,096
	1,943	34,827	**80,986**	37,322

(1) Golf membership represents the value of non-refundable unsold golf membership. Due to the low market demand for golf membership, the Group wrote down the non-refundable membership to its recoverable amount. The recoverable amount is based on the published market price of the golf membership which is ranging from $7,000 to $8,000 for each golf membership as of 31 December 2012.

14 Land inventories

The Group	**2012** **$'000**	2011 $'000
Land for sale, at cost	**585,796**	569,681

As at 31 December 2012 and 2011, PT SBP's land inventories comprise 3,763 ha with Building Use Right ("HGB"). Part of the land's HGB for 3,285 ha will expire in 30 years while the HGB of 478 ha has been extended and renewed for a period of 80 years.

As at 31 December 2012, PT BMW's land inventories comprise 14,039 ha (2011 - 14,041 ha) of land with HGB certificates. Part of the land's HGB amounting to 12,161 ha (2011 - 12,023 ha) will expire in 30 years while the HGB of 1,878 ha (2011 - 2,018 ha) has been extended and renewed for a period of 80 years.

15 Other inventories

The Group	**2012** **$'000**	2011 $'000
Fuel and lubrication oil, at cost	**6,818**	6,557
Medicines, at cost	**33**	29
Consumables and supplies, at cost	**6,046**	5,843
	12,897	12,429
Allowance for inventories obsolescence	**(1,577)**	(1,569)
	11,320	10,860
Stated at:		
Cost		
Medicine	**33**	29
Fuel and lubrication oil	**1,718**	1,747
Consumables and supplies	**966**	1,261
Net realisable value		
Fuel and lubrication oil	**5,100**	4,775
Consumables and supplies	**3,503**	3,048
	11,320	10,860

In 2012, $8,000 (2011 - $5,000) was recognised to profit or loss as inventory obsolescence due to slow moving consumables and supplies.

16 Trade and other receivables

		The Company		The Group	
		2012	2011	**2012**	2011
		$'000	$'000	**$'000**	$'000
Trade receivables					
- related parties		**-**	-	**2,816**	1,832
- external parties		**-**	-	**51,839**	36,837
Impairment of trade receivables		**-**	-	**(5,544)**	(6,448)
Net trade receivables	(i)	**-**	-	**49,111**	32,221
Other receivables:					
Refundable deposits		**-**	-	**-**	-
Prepayments		**1,237**	7,053	**7,456**	10,811
Amount owing by subsidiaries		**122,578**	117,394	**-**	-
Amount owing by related parties		**-**	-	**2,640**	2,775
Others		**670**	687	**-**	-
		124,485	125,134	**10,096**	13,586
Impairment of other receivables		**-**	-	**(875)**	(814)
Net other receivables	(ii)	**124,485**	125,134	**9,221**	12,772
Total	(i) + (ii)	**124,485**	125,134	**58,332**	44,993

Trade and other receivables are denominated in the following currencies:

	The Company		The Group	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Singapore dollar	**124,485**	125,134	**58,156**	43,890
Indonesian rupiah	**-**	-	**172**	1,089
United States dollar	**-**	-	**4**	14
	124,485	125,134	**58,332**	44,993

Trade receivables are generally due within 30 to 90 days (2011 - 30 to 90 days) and do not bear any interest.

All receivables are subject to credit risk exposure. The Group does not identify any specific concentration of credit risk as the trade receivables resemble a large number of balances spread over a large number of customers. The Company has identified significant concentration of credit risk arising from the loan given to a subsidiary.

Certain trade receivables are used as collateral for the interest-bearing loans obtained as disclosed in Note 22 - "Loans and borrowings".

The amount owing by subsidiaries represents loans and advanced payment of expenses is unsecured and repayable on demand.

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

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

17 Cash and bank balances

	The Company		The Group	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Cash on hand	**6**	6	**237**	182
Cash and bank balances	**4,438**	52,502	**58,619**	92,395
	4,444	52,508	**58,856**	92,577
Time deposits	**50**	50	**7,913**	2,507
	4,494	52,558	**66,769**	95,084

The cash and bank balances are denominated in the following currencies:

	The Company		The Group	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Singapore dollar	**4,343**	51,797	**45,536**	86,187
United States dollar	**148**	757	**8,716**	1,452
Indonesian rupiah	**-**	-	**12,513**	7,441
Others	**3**	4	**4**	4
	4,494	52,558	**66,769**	95,084

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

	The Group	
	2012	2011
Singapore dollar	**0.05% to 0.25%**	0.05% to 0.25%
United States dollar	**0.10%**	0.08% to 0.3%
Indonesian rupiah	**2.5% to 7%**	2.5% to 7%

18 Share capital

	2012	2011
The Company and The Group	**$'000**	$'000
Issued and fully paid, with no par value:		
2,412,482,556 ordinary shares	**1,207,642**	1,207,642

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

19 Deposits from tenants and golf membership

	2012	2011
The Group	**$'000**	$'000
Deposits from tenants	**25,585**	27,244
Refundable golf membership deposit	**4,428**	4,612
	30,013	31,856

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

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

20 Employee benefits liabilities

The Group	2012 $'000	2011 $'000
Balance at beginning of year	**8,514**	7,625
Net employee benefits expense (Note 27)	**1,112**	1,411
Actual benefit payments	**(526)**	(391)
Foreign exchange difference	**(741)**	(131)
Balance at end of year	**8,359**	8,514

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

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

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

Discount rate	:	5.5% to 6.25% (2011 - 6.5% to 8.0%) per annum
Mortality rate	:	USA Table of Mortality, commissioners standard ordinary 1980
Annual salary increases	:	6% to 12.5% (2011 - 5% to 12.5%) per annum
Retirement age	:	55 years
Turnover rates	:	5% up to age 25 and reducing linearly up to 0% at the age of 45 and thereafter
Disability rate	:	10% of mortality rate

The net employee benefits expense comprises the following:

The Group	2012 $'000	2011 $'000
Current service cost	**712**	678
Interest expense	**556**	764
Immediate recognition of past service cost - vested	**(51)**	-
Immediate adjustment of termination plan	**-**	114
Excess payment	**243**	-
Unrecognised past service cost	**1**	(118)
Amortisation of past service cost	**(35)**	21
Actuarial gain	**(314)**	(48)
	1,112	1,411
Employee benefits liabilities:		
Present value of employee benefits liabilities	**11,916**	9,227
Unrecognised past service cost	**(125)**	(218)
Unrecognised actual gain	**(3,432)**	(495)
	8,359	8,514

21 Deferred tax liabilities

	The Company		The Group	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Balance at beginning of year	**411**	223	**2,082**	1,743
Foreign exchange difference	**-**	-	**(234)**	(13)
Charged to profit or loss (Note 29)	**(284)**	188	**105**	352
Balance at end of year	**127**	411	**1,953**	2,082

The balance comprises tax on:

The Company	Balance at 1 January 2012 $'000	Charged/ (credited) to profit or loss $'000	Foreign exchange difference $'000	Balance at 31 December 2012 $'000
Fiscal loss net of expired tax loss	**(124)**	**(60)**	**-**	**(184)**
Property, plant and equipment	**16**	**(13)**	**-**	**3**
Interest income	**519**	**(211)**	**-**	**308**
	411	**(284)**	**-**	**127**

The Company	Balance at 1 January 2011 $'000	Charged/ (credited) to profit or loss $'000	Foreign exchange difference $'000	Balance at 31 December 2011 $'000
Fiscal loss net of expired tax loss	(2,165)	2,041	-	(124)
Property, plant and equipment	23	(7)	-	16
Interest income	2,365	(1,846)	-	519
	223	188	-	411

The Group	Balance at 1 January 2012 $'000	Charged/ (credited) to profit or loss $'000	Foreign exchange difference $'000	Balance at 31 December 2012 $'000
Fiscal loss net of expired tax loss	**(1,110)**	**(60)**	**75**	**(1,095)**
Estimated liability for employee service entitlements	**(378)**	**(21)**	**22**	**(377)**
Property, plant and equipment	**3,363**	**223**	**(331)**	**3,255**
Allowance for doubtful debts	**(313)**	**174**	**-**	**(139)**
Interest income	**520**	**(211)**	**-**	**309**
	2,082	**105**	**(234)**	**1,953**

The Group	Balance at 1 January 2011 $'000	Charged/ (credited) to profit or loss $'000	Foreign exchange difference $'000	Balance at 31 December 2011 $'000
Fiscal loss net of expired tax loss	(3,150)	2,041	(1)	(1,110)
Estimated liability for employee service entitlements	(394)	16	-	(378)
Property, plant and equipment	3,274	101	(12)	3,363
Allowance for doubtful debts	(352)	39	-	(313)
Interest income	2,365	(1,845)	-	520
	1,743	352	(13)	2,082

22 Loans and borrowings

	The Company		The Group	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Bank loans and other borrowings				
Standard Chartered Bank Limited				
- Term loan facility A	**-**	74,639	**-**	74,639
- Term loan facility B1	**-**	65,924	**-**	65,924
- Term loan facility B2	**-**	44,734	**-**	44,734
- Term loan facility C	**-**	72,065	**-**	72,065
PT Bank CIMB Niaga Tbk				
- Tranche A	**-**	-	**60,000**	-
- Tranche B	**-**	-	**168,817**	-
United Overseas Bank Limited	**-**	-	**10,000**	-
PT Bank Central Asia Tbk	**-**	-	**192**	272
PT Bank Panin Tbk	**-**	-	**6**	26
Bank Kepri Bintan	**-**	-	**11**	45
Loans from subsidiaries	**144,148**	207,737	**-**	-
Total loans and borrowings	**144,148**	465,099	**239,026**	257,705
Less:				
Current portion	**(144,148)**	(287,608)	**(27,093)**	(80,196)
Non-current portion	**-**	177,491	**211,933**	177,509

The outstanding bank loans of the Company and the Group exposed to interest rates are as follows:

	The Company		The Group	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Current portion:				
- at floating interest rate	**-**	79,871	**25,061**	79,871
- at fixed interest rate	**144,148**	207,737	**2,032**	325
	144,148	287,608	**27,093**	80,196
Non-current portion:				
- at floating interest rate	**-**	177,491	**203,756**	177,491
- at fixed interest rate	**-**	-	**8,177**	18
	-	177,491	**211,933**	177,509

Loans and borrowings are denominated in the following currencies:

	The Company		The Group	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Singapore dollar	**144,148**	354,441	**10,000**	146,704
United States dollar	**-**	110,658	**60,000**	110,658
Indonesian rupiah	**-**	-	**169,026**	343
	144,148	465,099	**239,026**	257,705

22 Loans and borrowings (cont'd)

22.1 PT Bank CIMB Niaga Tbk

On 22 February 2012, a subsidiary has obtained a long term facility from PT Bank CIMB Niaga Tbk ("CIMB"). The facility consists of the following:-

1. Tranche A facility of US$50,000,000. This facility bears interest at LIBOR plus 6.25% per annum.

2. Tranche B facility of Rp. 1,360,375,000,000. This facility bears interest at JIBOR plus 6.15% per annum.

The loan is repayable in quarterly instalments as below schedule:

Repayment Date	Repayment Instalment
22 February 2012 to 31 December 2012	1.875%
31 December 2012 to 31 December 2013	10.00%
31 December 2013 to 31 December 2014	16.25%
31 December 2014 to 31 December 2015	19.375%
31 December 2015 to 31 December 2016	21.875%
31 December 2016 to 31 December 2017	24.375%
Final repayment date	The balance amount of all the loans

The following assets of the Group were mortgaged to the bank to secure the facilities for the Group:

1. Pledge of land title over Batamindo Industrial Park;

2. Pledge of shares and accounts of PT Batamindo Investment Cakrawala ("PT BIC"); and

3. Assignment of insurance proceeds, receivables and equipment of PT BIC.

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

(i) Ratio of Borrower Debt to Borrower Equity will not be more than 1.

(ii) Ratio of Borrower Net Debt to Borrower EBITDA will not be more than 3.5.

(iii) Borrower Equity will not be less than IDR 2.69 trillion.

(iv) Borrower Debt Service Coverage Ratio will not be less than 1.

(v) Ratio of Guarantor Debt to Guarantor Equity will not be more than 0.5.

(vi) Ratio of Guarantor Net Debt to Guarantor EBITDA will not be more than 4.

22.2 United Overseas Bank Limited

On July 2012, a subsidiary obtained a money market line facility of S$20,000,000.

The facility bears an interest at 2.89% p.a. and is repriced every 3 months.

22 Loans and borrowings (cont'd)

22.2 United Overseas Bank Limited (cont'd)

The facility is secured by:

1. first priority legal mortgage and collateral deed of covenant in relation to the vessels;

2. debenture (fixed and floating) over all present and future assets of Company;

3. first and second priority all monies legal mortgage and collateral deed of covenant over the vessels;

4. second priority all monies debenture (fixed and floating) over all present and future assets of the Company and;

5. first and second priority all monies assignment if insurances over the vessels.

22.3 Standard Chartered Bank Limited

On 17 February 2010, the Company obtained a dual-currency term loan facility from Standard Chartered Bank ("SCB"). The facility comprises of the following:

1. Tranche A facility with total commitment of S$102,950,000 which shall be used to subscribe for Notes with warrants (Note 12). This facility bears interest at SIBOR plus 5.75% per annum.

2. Tranche B facility with total commitment of Tranche B1, US$70,000,000 and Tranche B2, US$47,500,000 which shall also be used to subscribe for Notes with warrants (Note 12). This facility bears interest at LIBOR plus 5.75% per annum.

3. Tranche C facility with total commitment of S$99,400,000 which shall be used solely to repay in full all amounts due and owing under the previous United Overseas Bank Limited facility. This facility bears interest at SIBOR plus 1.75% per annum.

During the financial year, the term loan facilities with SCB were fully repaid and the securities have been discharged.

22.4 PT Bank Central Asia Tbk

On 13 January 2009, a subsidiary obtained a loan facility to finance the purchase of vehicle amounting to Rp.114,400,000 or equivalent to S$17,078. The loan bore a flat interest at 8.25% per annum and was due on 13 December 2011.

In March 2011, a subsidiary obtained another loan facility to finance the purchase of vehicle amounting to Rp.2,230,865,000 or equivalent to S$311,696. The loan bears a flat interest at 6.5% per annum and will be due in January 2016.

22.5 PT Bank Panin Tbk

On 14 April 2010, a subsidiary obtained a loan facility amounting to Rp.225,386,860 or equivalent to S$32,285 bearing interest at 5.85% per annum to finance the purchase of vehicles. The loan will fall due on 27 April 2013.

22 Loans and borrowings (cont'd)

22.6 Bank Kepri Bintan

In 2010, a subsidiary obtained a credit facility from BPR Kepulauan Riau (Kepri) amounting to Rp.591,154,454 or equivalent to S$84,685. The credit facility was used to finance the acquisition of a vehicle and bears flat interest at 9.5% per annum. The loan from the facility is payable in monthly instalments, with the last payment due on 19 May 2013.

22.7 Loans from subsidiaries

Loans from subsidiaries are unsecured and repayable on demand. Interest is charged at the fixed rate of 1.7% (2011 - 1.7%) per annum.

22.8 Effective interest rates

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

	The Company		The Group	
	2012	2011	**2012**	2011
Term loans	**-**	1.83% to 6.22%	**2.89% to 11.07%**	1.83% to 6.22%
Finance leases	**-**	-	**5.85% to 9.50%**	5.85% to 9.50%
Loan from subsidiaries	**1.70%**	1.70%	**-**	-

23 Trade and other payables

	The Company		The Group	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Trade and other payables	**580**	27,406	**44,169**	54,935
Accruals	**1,836**	976	**928**	578
Interest payable on bank loan	**-**	1,047	**1,073**	1,049
Amount owing to related parties	**-**	-	**10,142**	8,285
Amount owing to subsidiaries	**4,854**	6,337	**-**	-
	7,270	35,766	**56,312**	64,847

Trade payables are generally on 30 days (2011 - 30 days) credit terms.

Amounts owing to subsidiaries and related parties are unsecured and interest-free and repayable on demand.

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

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Singapore dollar	**7,194**	7,737	**54,629**	28,321
Indonesian rupiah	**-**	-	**1,410**	5,506
United States dollar	**76**	28,029	**273**	31,020
	7,270	35,766	**56,312**	64,847

24 Other income

The Group	2012 $'000	2011 $'000
Exchange gain, net	**5,867**	1,562
(Loss)/gain on disposal of property, plant and equipment	**(458)**	267
Gain on disposal of a subsidiary	**-**	21
Interest income - external parties	**22,712**	19,450
Other telecommunication income	**1,803**	1,686
Recovery of overpaid taxes	**-**	4,137
Bank charges	**(181)**	(768)
Discount on notes	**-**	866
Reversal of overprovision of withholding tax	**-**	715
Reversal of provision on doubtful debt	**3,000**	-
Electricity rebate written off	**-**	434
Miscellaneous income	**1,025**	1,241
	33,768	29,611

25 Other operating expenses

The Group	2012 $'000	2011 $'000
Communication	**396**	425
Depreciation and amortisation	**1,110**	1,961
Entertainment	**591**	897
Insurance	**443**	477
Management fee	**83**	754
Marketing and promotion expenses	**3,373**	2,933
Professional fees	**844**	965
Rental	**709**	664
Repairs and maintenance	**2,151**	2,135
Representation costs	**939**	1,143
Staff costs	**6,829**	5,830
Taxes and licences	**1,729**	1,076
Technical assistance fee	**350**	350
Transport and travelling	**1,220**	1,595
Utilities	**690**	637
Others	**2,547**	4,006
	24,004	25,848

26 Finance costs

The Group	2012 $'000	2011 $'000
Bank loans	**18,529**	15,278
Others	**2**	466
	18,531	15,744

27 Profit before taxation

The Group	Note	**2012 $'000**	2011 $'000
Profit before taxation has been arrived at after charging/(crediting):			
Audit fee paid to:			
- auditor of the Company		**162**	154
- other auditors		**296**	281
Non-audit fees paid to:			
- auditor of the Company		**246**	25
- other auditors		**37**	75
Allowance for inventories obsolescence		**8**	5
Amortisation of intangible assets	4	**177**	160
Depreciation of property, plant and equipment	5	**31,072**	32,504
Depreciation of investment properties	6	**22,458**	22,150
Directors' fees		**281**	281
Directors' remuneration			
- Directors' salaries and related costs		**1,550**	1,458
- CPF contributions		**32**	37
		1,582	1,495
Foreign exchange gain, net		**(5,867)**	(1,562)
Impairment of trade and other receivables		**564**	1,260
Operating lease rentals			
- office equipment and office premises		**1,701**	1,619
Provision for employees' benefits	20	**1,112**	1,411
Rental income (included in revenue)			
- investment properties		**(30,602)**	(32,687)
- others		**(1,951)**	(4,078)
Operating expenses arising from investment properties that generated rental income		**23,758**	23,314
Staff costs (other than Directors)			
- salaries and related costs		**19,212**	18,073
- CPF contributions		**206**	184
		19,418	18,257

28 Key management personnel compensation

The Group	**2012 $'000**	2011 $'000
Short-term benefits	**2,125**	1,964

29 Taxation

The Group	**2012 $'000**	2011 $'000
Current taxation		
Indonesia tax		
Final tax	**4,957**	5,065
Non-final tax	**6,310**	5,238
Singapore tax	**300**	192
	11,567	10,495
Deferred taxation (Notes 10 and 21)		
Indonesia tax	**1,135**	244
Singapore tax	**(284)**	188
	851	432
	12,418	10,927

29 Taxation (cont'd)

No current taxation for financial years ended 31 December 2012 and 2011 had been provided in the financial statements as the Company has no taxable profit.

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the Group's profit as a result of the following:

The Group	**2012 $'000**	2011 $'000
Profit before taxation	**22,066**	17,531
Tax at statutory rate of 17% (2011 - 17%)	**3,751**	2,980
Difference of tax effects on gross income subject to final tax instead of corporate tax	**4,957**	5,065
Effect on tax rate of foreign jurisdiction	**1,878**	1,506
Tax effects on non-deductible expenses	**1,832**	1,376
	12,418	10,927

30 Other comprehensive income after taxation

Disclosure of tax effects relating to each component of other comprehensive income:

		2012 $'000	
	Before tax	Tax expense	Net of tax
Currency translation differences	**(771)**	**-**	**(771)**

		2011 $'000	
	Before tax	Tax expense	Net of tax
Currency translation differences	(607)	-	(607)

31 Earnings per share

The Group

The earnings per share for financial year ended 31 December 2012 is calculated based on the Group's profit after taxation for the year of $11,082,000 attributable to the shareholders divided by weighted average number of 2,412,482,556 ordinary shares in issue during the financial year. There are no dilutive potential ordinary shares that were outstanding during the year.

The earnings per share for the financial year ended 31 December 2011 is calculated based on the Group's profit after taxation of $8,284,000 attributable to the shareholders divided by the weighted average number of 2,412,482,556 ordinary shares.

32 Operating lease commitments

At the reporting period, the Company and the Group were committed to making the following lease rental payments under non-cancellable operating leases for office equipment and office premises:

	The Company		The Group	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Not later than one year	**224**	371	**1,386**	1,834
Later than one year and not later than five years	**-**	247	**954**	1,738
Later than five years	**-**	-	**-**	79

The Company and The Group

The Company's lease on office equipment and office premises which will expire on 31 January 2014 and 31 August 2013 respectively. The current lease payables are $498 and $26,906 per month.

The subsidiaries have entered into operating leases of office premises, warehouse and office equipment which will expire at the earliest in 2013 and not later than 2017. The current lease rental ranges from $275 per month to $22,099 per month.

The Group

The Group has entered into operating leases of factory buildings. Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2012	2011
The Group	**$'000**	$'000
Not later than one year	**21,380**	21,683
Later than one year and not later than five years	**22,402**	25,439
Later than five years	**14**	41

33 Capital commitments

At the reporting period, the Group were committed to the following capital expenditure for uncompleted contracts for construction-in-progress, vessel survey charges and maintenance and repairs as follows:

	2012	2011
The Group	**$'000**	$'000
Capital expenditure contracted but not provided for	**4,081**	4,837

34 Related parties transactions

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Apart from the balances with related parties disclosed elsewhere in this report, the following transactions have been entered into by the Group are as follows, based on prices or rates negotiated with the respective parties.

The Group	**2012** **$'000**	2011 $'000
Shareholders		
Marketing services	**2,360**	1,997
Offshore marketing services	**363**	367
Companies in which a shareholder has an interest		
Technical assistance fee	**350**	350
Human resource management fee	**392**	536
Insurance premiums	**681**	817
Fees and rentals	**2,625**	2,525
Purchases	**2,722**	3,206
Sales	**(10,666)**	(8,137)

35 Segment information

Industrial parks segment
Industrial parks segment is engaged in activities consisting of the development, construction, operation and maintenance of industrial properties in Batam Island and Bintan Island together with the supporting infrastructure activities.

Utilities segment
Utilities segment is engaged in the activities of provision of electricity and water supply, telecommunications services and waste management and sewage treatment services to the industrial parks in Batam Island and Bintan Island as well as resorts in Bintan Island.

Resort operations segment
The resort operations segment is engaged in the activities of provision of services to resort operators in Bintan Resort including ferry terminal operations, workers accommodation, security, fire fighting services and facilities required by resort operators.

35 Segment information (cont'd)

Property development segment

Property development segment is engaged in the activities of developing industrial and resort properties in Batam Island and Bintan Island.

The Group

2012	Industrial Parks $'000	Utilities $'000	Resort Operations $'000	Property Develop-ment $'000	Corporate $'000	Elimination $'000	Total $'000
Business segments							
Operating revenue							
External sales	67,402	110,760	23,209	2,858	-	-	204,229
Inter segment sales	73	353	-	-	-	(426)	-
Total sales	67,475	111,113	23,209	2,858	-	(426)	204,229
Segment results							
Profit/(loss) from operations	15,941	19,827	(7,249)	1,098	10,980	-	40,597
Finance costs							(18,531)
Profit before taxation							22,066
Taxation							(12,418)
Profit after taxation							9,648
Attributable to:							
Equity holders of the Company							11,082
Non-controlling interests							(1,434)
							9,648
Assets							
Segment assets	283,589	169,002	51,619	594,224	195,102	-	1,293,536
Unallocated corporate assets							332,480
Total assets							1,626,016
Liabilities							
Segment liabilities	48,336	15,165	6,975	10,254	11,643	-	92,373
Unallocated corporate liabilities							246,689
Total liabilities							339,062
Business segments							
Other information							
Capital expenditure	7,110	623	5,216	96	32	-	13,077
Software costs	9	-	79	-	-	-	88
Allowance for inventories obsolescence	-	8	-	-	-	-	8
Provision for employees' benefits	495	595	162	(140)	-	-	1,112
Amortisation of intangible assets	23	-	78	46	30	-	177
Depreciation of property, plant and equipment	5,810	16,005	8,865	287	105	-	31,072
Depreciation of investment properties	22,458	-	-	-	-	-	22,458
(Gain)/loss on disposal of property, plant and equipment	(40)	-	497	-	1	-	458
Impairment of trade and other receivables	564	-	-	-	-	-	564

35 Segment information (cont'd)

The Group

2011	Industrial Parks $'000	Utilities $'000	Resort Operations $'000	Property Develop-ment $'000	Corporate $'000	Elimination $'000	Total $'000
Business segments							
Operating revenue							
External sales	44,863	114,350	23,757	20,397	-	-	203,367
Inter segment sales	86	298	-	-	-	(384)	-
Total sales	44,949	114,648	23,757	20,397	-	(384)	203,367
Segment results							
(Loss)/profit from operations	(1,475)	15,534	(6,765)	10,908	15,073	-	33,275
Finance costs							(15,744)
Profit before taxation							17,531
Taxation							(10,927)
Profit after taxation							6,604
Attributable to:							
Equity holders of the Company							8,284
Non-controlling interests							(1,680)
							6,604
Assets							
Segment assets	326,734	208,065	61,669	578,543	57,418	-	1,232,429
Unallocated corporate assets							413,665
Total assets							1,646,094
Liabilities							
Segment liabilities	37,490	17,891	5,954	8,690	35,192	-	105,217
Unallocated corporate liabilities							262,761
Total liabilities							367,978

Business segments							
Other information							
Capital expenditure	4,703	631	1,685	486	10	-	7,515
Software costs	12	-	29	-	60	-	101
Allowance for inventories obsolescence	-	5	-	-	-	-	5
Provision for employees' benefits	717	279	121	294	-	-	1,411
Amortisation of intangible assets	31	-	37	59	33	-	160
Depreciation of property, plant and equipment	6,631	15,758	9,669	319	127	-	32,504
Depreciation of investment properties	22,150	-	-	-	-	-	22,150
(Gain)/loss on disposal of property, plant and equipment	(138)	-	(130)	-	1	-	(267)
Gain on disposal of investment properties	(80)	-	-	-	-	-	(80)
Impairment of trade and other receivables	240	-	1,020	-	-	-	1,260

35 Segment information (cont'd)

The Group

Geographical segments

The Group operates mainly in Batam Island and Bintan Island, Indonesia. Accordingly, analysis by geographical segments is not presented.

Segment revenue and segment expense

All segment revenue and expense are directly attributable to the segments.

Segment assets and liabilities

Segment assets include all operating assets and consist principally of receivables, land inventories, other inventories, investment properties and property, plant and equipment, net of allowances and provisions. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated on a reasonable basis.

Segment liabilities include all operating liabilities and consist principally of operating payables.

Segment assets and liabilities do not include cash and cash equivalents, notes receivables, deferred tax assets, deferred tax liabilities, current tax payable, loans and borrowings.

36 Financial risk management objectives and policies

The Group is affected by various financial risks, including credit risk, foreign currency risk, interest rate risk and liquidity risk. The Group's overall risk management objective is to effectively manage these risks and minimise potential adverse effects on their financial performance.

The Board of Directors review and agree with the policies for managing each of these risks, as well as economic risk and business risk of the Group, which are summarised below, and also monitors the market price risk arising from all financial instruments and project development risk.

36.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company or the Group to incur a financial loss.

The financial assets that potentially subject the Group to significant concentration of credit risk consist principally of cash and bank balances, trade and other receivables, loan receivable and notes receivables. The Group has in place credit policies and procedures to ensure the ongoing credit evaluation and active account monitoring. The Group's exposures to credit risk arise from default of other parties, with maximum exposure equal to the carrying amount of these instruments. At the reporting date, there were no significant concentrations of credit risk other than the loan receivable of $47,500,000 (2011 - $47,500,000) from PT AIB (Note 11) and notes receivables of $260,459,000 (2011 - $279,556,000) from Market Strength Limited and Super Concord Holdings Limited (Note 12) and interest receivables of $73,100,000 (2011 - $30,731,000) (Note 13).

36 Financial risk management objectives and policies (cont'd)

36.1 Credit risk (cont'd)

The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets in the statement of financial position. Details on trade receivables are as follows:

(i) Financial assets that are neither past due nor impaired

Trade receivables amounting to $28,291,000 (2011 - $13,529,000) that are neither past due nor impaired are substantially companies with good collection track record with the Group.

(ii) Financial assets that are past due but not impaired

The aging analysis of trade receivables past due but not impaired is as follows:

The Group	**2012 $'000**	2011 $'000
Trade receivables past due but not impaired:		
More than one but less than two months	**2,484**	4,835
More than two but less than three months	**775**	539
More than three months but less than one year	**8,131**	5,437
More than one year	**9,430**	7,881
	20,820	18,692

Management assessed that there are no significant concentration of credit risk and is actively pursuing the recovery of these overdue receivables. Based on negotiations and commitments provided by the customers, management believes that these receivables are collectible. Accordingly, no allowance for doubtful debts has been provided for these receivables.

(iii) Financial assets that are past due and impaired

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

The Group	**2012 $'000**	2011 $'000
Gross amount	**5,544**	6,448
Less: Impairment of trade receivables	**(5,544)**	(6,448)
	-	-
Movement in impairment of trade receivables:		
Balance at beginning of year	**6,448**	7,781
Allowance for the year	**564**	1,260
Amount written off/reversed during the year	**(1,468)**	(2,593)
Balance at end of year	**5,544**	6,448

Management assessed that these overdue receivables are not collectible after taking into consideration a combination of factors such as the debtors' financial position, collateral held, ability and willingness to settle the debts and latest negotiations held with them. Accordingly, an allowance for doubtful debts has been made in the financial statements.

36 Financial risk management objectives and policies (cont'd)

36.2 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to foreign currency exchange rate movements primarily in Indonesian rupiah on certain expenses, assets and liabilities which arise from daily operations and United States dollar loan from financial institution.

The Group uses foreign currency denominated assets as a natural hedge against its foreign currency denominated liabilities. As at reporting period, the Group's exposure to foreign exchange risk is not significant and most transactions are denominated in Singapore dollar as their functional currency.

The following table demonstrates the sensitivity to a reasonably possible change in the United States dollar and Indonesian rupiah exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	2012		2011	
	Appreciation/ (depreciation) of foreign currency rate	**Effect on profit before tax increase/ (decrease) $'000**	Appreciation/ (depreciation) of foreign currency rate	Effect on profit before tax increase/ (decrease) $'000
Indonesian rupiah	**8%**	**(12,280)**	4%	(1,394)
Indonesian rupiah	**(8%)**	**12,280**	(4%)	1,354
United States dollar	**1%**	**1,127**	11%	(31,889)
United States dollar	**(1%)**	**(1,127)**	(11%)	31,783

The average and year end exchange rates for 2012 and 2011 are as follows:

	2012		2011	
	Year end	**Average**	Year end	Average
Indonesian rupiah	**Rp.7,907/$1**	**Rp.7,564/$1**	Rp.6,974/$1	Rp.6,976/$1
United States dollar	**US$0.82/$1**	**US$0.80/$1**	US$0.77/$1	US$0.80/$1

36.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is financed through interest-bearing bank loans and other borrowings such as shareholders' loans and advances from related parties. Therefore, the Group's exposures to market risk for changes in interest rates relate primarily to its long-term borrowings obligations and interest-bearing assets and liabilities. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure by managing its interest cost using a mixture of fixed and variable rate debts and long and short-term borrowings.

36 Financial risk management objectives and policies (cont'd)

36.3 Interest rate risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax [through the impact on floating rate borrowings for loans from CIMB (2011 - SCB) (Note 22)].

	2012		2011	
	Increase/ (decrease) in basis points	**Effect on profit before tax $'000**	Increase/ (decrease) in basis points	Effect on profit before tax $'000
Singapore dollar	**0.0161**	**(3,673)**	0.0076	1,950
Singapore dollar	**(0.0161)**	**3,673**	(0.0076)	(1,950)

36.4 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents to support their business activities on a timely basis. The Group maintains a balance between continuity of accounts receivable collectability and flexibility through the use of bank loans and other borrowings.

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

The Company	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2012				
Trade and other payables	**7,270**	**-**	**-**	**7,270**
Loans and borrowings	**144,148**	**-**	**-**	**144,148**
	151,418	**-**	**-**	**151,418**
As at 31 December 2011				
Trade and other payables	35,766	-	-	35,766
Loans and borrowings	287,608	177,491	-	465,099
	323,374	177,491	-	500,865

The Group	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2012				
Trade and other payables	**56,312**	**-**	**-**	**56,312**
Loans and borrowings	**27,093**	**211,933**	**-**	**239,026**
	83,405	**211,933**	**-**	**295,338**
As at 31 December 2011				
Trade and other payables	64,847	-	-	64,847
Loans and borrowings	80,196	177,509	-	257,705
	145,043	177,509	-	322,552

The Company and the Group ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

36 Financial risk management objectives and policies (cont'd)

36.5 Market price risk

The Group is exposed to fuel price risk. An adverse change in fuel costs will significantly increase the Group's operating costs if the impact is not completely flow through to the end consumers.

To mitigate impact of price volatility, the Group diversified its energy source with implementation of dual fuel fired power plants. In the Batamindo Industrial Park, the 19 power generators are operated on natural gas in heavy fuel (i.e. diesel). In Bintan Resorts and Bintan Industrial Estate, power plants are operated in heavy and light fuel.

36.6 Project development risk

Construction delays can result in loss of revenue. The failure to complete construction of a project according to its planned specifications or schedule may result in liabilities, reduce project efficiency and lower returns. The Group manages this risk by closely monitoring the progress of all projects through all stages of construction.

37 Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities with a maturity of less than one year as reflected in the statement of financial position approximate their fair value.

The Group does not anticipate that the carrying amounts of financial assets and financial liabilities of more than one year recorded at reporting period would be significantly different from the values that would eventually be received or settled.

38 Capital management

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;

(b) To support the Group's stability and growth;

(c) To provide capital for the purpose of strengthening the Company's risk management capability;

(d) To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

Management regards total equity as capital, for capital management purposes. The amount of capital as at 31 December 2012 amounted to $1,263,442,000 which the management considered as optimal having considered the projected capital expenditure and the projected strategic investment opportunities.

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

39 Economic conditions

The operations of the Group have been affected, and may continue to be affected for the foreseeable future by the economic conditions in Indonesia and globally that may contribute to volatility in currency values and negatively impact economic growth. Economic improvements and sustained recovery are dependent upon several factors such as fiscal and monetary actions being undertaken by the government and others; actions that are beyond the control of the Group.

40 Events after end of reporting period

The Company and the Group

1. On 15 December 2012, the Company has entered into a conditional sale and purchase agreement dated 13 December 2012 with PT Cipta Sarana Duta Perkasa for the acquisition of approximately 52.35% of the issued share capital of PT Indomobil Sukses Internasional Tbk, a company listed on the Indonesia Stock Exchange with a market capitalisation of approximately S$1.8 billion for an aggregate consideration of approximately S$988.2 million.

   On 4 March 2013, the Company has received in-principle approval from the Singapore Exchange Securities Trading Limited on the acquisition of PT Indomobil Sukses Internasional Tbk.

2. On 8 January 2013, Batamindo Medical Management Pte Ltd has been struck off the Registrar of Companies.

3. On 6 March 2013, Bintan Resort Management Pte Ltd has been struck off the Registrar of Companies.

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