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Jardine Cycle & Carriage Limited Annual Report 2011

2011

Annual Report

Jardine Cycle & Carriage

CONTENTS

Mercedes-Benz E-Class
Singapore

FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 31ST DECEMBER 2011

Announcement of Results:

– first quarter	28th April 2011
– half year	29th July 2011
– third quarter	1st November 2011
– full year	29th February 2012
Issue of Annual Report	5th April 2012
Annual General Meeting	25th April 2012
Book Closure	11th May 2012
Final Dividend Payment	20th June 2012

FINANCIAL YEAR ENDING 31ST DECEMBER 2012

Proposed Dates for Announcement of Results:

– first quarter	25th April 2012
– half year	27th July 2012
– third quarter	2nd November 2012
– full year	28th February 2013

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

HIGHLIGHTS

- Underlying earnings per share up 25%
- Excellent results from Astra
- Challenges in Singapore and Vietnam
- Full year dividend up 25%

GROUP RESULTS

	2011 US$m	2010 US$m	Change %	**2011 S$m**
Revenue	**20,084**	15,680	28	**25,197**
Profit after tax	**2,443**	2,244	9	**3,065**
Underlying profit attributable to shareholders	**1,019**	812	25	**1,278**
Profit attributable to shareholders	**1,030**	944	9	**1,293**
	US¢	US¢		**S¢**
Underlying earnings per share	**286.48**	228.34	25	**359.43**
Earnings per share	**289.68**	265.48	9	**363.45**
Dividend per share	**123.00**	98.0	25	**158.12**
	US$m	US$m		**S$m**
Shareholders' funds	**4,407**	3,743	18	**5,727**
	US$	US$		**S$**
Net asset value per share	**12.39**	10.52	18	**16.10**

The exchange rate of US$1=S$1.30 (31st December 2010: US$1=S$1.29) was used for translating assets and liabilities at the balance sheet date and US$1=S$1.25 (31st December 2010: US$1=S$1.36) was used for translating the results for the year.

Daihatsu Xenia
Indonesia

CORPORATE PROFILE

Jardine Cycle & Carriage ("JC&C") is a leading Singapore-listed company and a member of the Jardine Matheson Group. It has an interest of just over 50% in Astra, a premier listed Indonesian conglomerate, as well as other motor interests in Southeast Asia. Together with its subsidiaries and associates, JC&C employs some 182,000 people across Indonesia, Malaysia, Singapore and Vietnam.

Astra is the largest independent automotive group in Southeast Asia, with further interests in financial services, heavy equipment and mining, agribusiness, infrastructure and logistics, and information technology. JC&C has directly-held motor subsidiaries operating in Singapore and Malaysia under the Cycle & Carriage banner, as well as other motor interests in Indonesia and Vietnam. The JC&C Group represents some of the world's leading motoring marques including Mercedes-Benz, Toyota, Honda and Kia.

Jardine Matheson is a diversified business group focused principally on Asia. Its businesses comprise a combination of cash generating activities and long-term property assets. The Group's interests include Jardine Pacific, Jardine Motors, Jardine Lloyd Thompson, Hongkong Land, Dairy Farm and Mandarin Oriental, in addition to JC&C and Astra International. These companies are leaders in the fields of engineering and construction, transport services, insurance broking, property investment and development, retailing, restaurants, luxury hotels, motor vehicles and related activities, financial services, heavy equipment, mining and agribusiness.

Honda Vario
Indonesia

KEY OPERATING BUSINESSES

Citroën C4 Picasso
Singapore

Federal International Finance
Indonesia

ASTRA

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

Automotive
Astra is the largest independent automotive group in Southeast Asia. Its automotive business comprises the production, distribution, retail and after-sales services of motor vehicles and motorcycles. In 2011, it held 54% of the country's motor vehicle market through partnerships with Toyota, Daihatsu, Isuzu, Peugeot, UD Trucks and BMW, and 53% of the motorcycle market with Honda. Astra also manufactures and distributes automotive components.

Financial Services
Astra's financial services cover a wide spectrum, from consumer financing to banking and general insurance. In 2011, its automotive division financed more than 144,200 new motor vehicles and over 1.3 million Honda motorcycles in Indonesia. Its heavy equipment division supports the mining, construction, forestry and agricultural sectors.

Heavy Equipment and Mining
Astra supplies heavy equipment to the mining, construction, forestry and agricultural sectors in Indonesia. These include heavy-duty trucks, vibratory rollers, cranes, forklifts, forestry equipment and the provision of after-sales services. It is the sole distributor of Komatsu machinery and equipment. It is also the largest coal mining services contractor in Indonesia.

Agribusiness
Astra's agribusiness includes the cultivation, harvesting and processing of palm oil. It is one of the largest producers of crude palm oil in Indonesia with plantations covering approximately 267,000 hectares.

Infrastructure and Logistics
Astra's infrastructure and logistics businesses include the operation of the western Jakarta water utility system, toll road operations and transportation services.

Information Technology
Astra's information technology business provides document and IT solutions services and is the sole distributor for Fuji Xerox in Indonesia.

Komatsu Heavy Equipment
Indonesia

Foton Truck Assembly
Vietnam

OTHER MOTOR INTERESTS

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

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

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

Vietnam
Truong Hai Auto Corporation (32%) is one of the largest automotive companies in Vietnam. Its activities include the manufacture, assembly, distribution, retail, repair and maintenance of commercial and passenger vehicles. Its automotive brands include Kia, Foton and Hyundai.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Benjamin Keswick	Chairman
Boon Yoon Chiang	Deputy Chairman
Alexander Newbigging*	Group Managing Director
Chiew Sin Cheok*	Group Finance Director
Tan Sri Azlan Zainol	
Chang See Hiang+	
Cheah Kim Teck*	
Mark Greenberg	
Hassan Abas+	
Lim Ho Kee+	
Lim Hwee Hua+	
Anthony Nightingale	
James Watkins+	

NOMINATING COMMITTEE

Chang See Hiang+	Chairman
Hassan Abas+	
Benjamin Keswick	
Lim Ho Kee+	

REMUNERATION COMMITTEE

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

AUDIT COMMITTEE

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

GROUP COMPANY SECRETARY
Ho Yeng Tat

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Partner-in-charge: Yeoh Oon Jin
Appointment: 2007

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* Executive Director
\+ Independent Director
Corporate information as at 1st April 2012

Mercedes-Benz C-Class
Singapore

CHAIRMAN'S STATEMENT

OVERVIEW

Jardine Cycle & Carriage produced a record result in 2011, underpinned by an excellent performance by Astra as its businesses benefited from the continuing growth in the Indonesian economy.

PERFORMANCE

The Group's revenue for the year increased by 28% to US$20.1 billion. Underlying profit grew by 25% to US$1,019 million. Profit attributable to shareholders of US$1,030 million included a non-trading gain of US$11 million due to a fair value gain on revaluation of Astra's oil palm plantations.

Astra achieved improved performances in all its major businesses and contributed US$1,011 million to the Group's underlying profit, an increase of 27%. The contribution from the Group's other motor interests grew 10% to US$62 million.

The Board is recommending a final one-tier tax exempt dividend of US¢105 per share (2010: US¢82 per share). This together with the interim dividend will produce a total dividend of US¢123 per share (2010: US¢98 per share), an increase of 25%.

Toyota Avanza
Indonesia

CHAIRMAN'S STATEMENT

Astra Credit Companies
Indonesia

Daihatsu Passenger Car Assembly
Indonesia

Kia Showroom
Vietnam

BUSINESS ACTIVITY

ASTRA

The Indonesian economy grew by 6.5% in 2011, supported by growth in domestic demand, strong commodity prices and the availability of consumer and commercial finance at attractive interest rates. Excellent earnings growth from Astra's automotive, financial services, heavy equipment and mining activities enabled the company to achieve a new record profit for the year.

Astra's automotive and financial services businesses produced a strong contribution to group profit as they benefited from robust consumer demand. Automotive supply constraints, as a consequence of natural disasters in Japan and Thailand during the year, only had a mild impact on Astra's automotive results. Astra Otoparts saw a decline in earnings due to higher material costs and increased expenses incurred in establishing its brands.

Astra's heavy equipment subsidiary, United Tractors, continued to seek coal mining investment opportunities. United Tractors and its subsidiaries own interests in eight coal mines, having acquired interests in mining concessions in 2011, with combined reserves estimated at 250 to 370 million tonnes. In May, the company completed a US$700 million rights issue to finance the expansion of its coal mining and coal contracting businesses as well as coal-related infrastructure opportunities.

The performance of Astra Agro Lestari benefited from the high crude palm oil prices achieved, as well as higher palm oil production. The company has continued to make good progress in improving its yield.

Elsewhere, there were increased contributions from Astra's infrastructure and logistics and information technology businesses. During the year, the group acquired a 95% stake in the greenfield 40.5km Kertosono-Mojokerto toll road near Surabaya at a cost of US$86 million. The overall cost of this toll road project is estimated at some US$400 million, including land clearance and construction. Astra Graphia, the group's information technology business entered into a joint venture with Monitise Asia Pacific to offer mobile banking, payments, commerce software and solutions in Indonesia. The joint venture is expected to commence operations this year.

Palm Fruits
Indonesia

OTHER MOTOR INTERESTS

The Group's other motor interests produced a higher contribution from the Singapore motor operations and Tunas Ridean in Indonesia. In Singapore, the motor operations did well, despite the reduced size of the market due to the lower government quota, as the Mercedes-Benz brand proved resilient although the non-Mercedes-Benz brands also showed some improvement. Tunas Ridean had a good year, benefiting from the strong consumer demand in Indonesia and the availability of financing at affordable interest rates. In Malaysia, Cycle & Carriage Bintang's contribution was flat as it continued to face competition. In Vietnam, Truong Hai Auto Corporation's lower contribution, despite unit sales rising 26%, was due to the devaluation of the Vietnam dong, and higher finance and operating costs.

PEOPLE

On 31st March 2012, I will retire as Chairman of the Board, but will remain as a non-executive director. I will be succeeded as Chairman by Ben Keswick. He will step down as Group Managing Director on 31st March 2012 and will be succeeded by Alex Newbigging.

On behalf of the Directors, I wish to thank our 182,000 staff employed across the Group. These record results would not have been possible without their dedication and diligence. I would also like to thank our customers, shareholders and business partners for their continued support.

OUTLOOK

The outlook for Jardine Cycle & Carriage in 2012 is encouraging as Astra remains particularly well-placed to benefit further from the strength of Indonesia's growing economy. The Group's Singapore and Vietnam businesses will, however, continue to face difficult operating environments, and the deteriorating global financial conditions may have a broader impact on the Group's performance.

Anthony Nightingale
Chairman
29th February 2012

Honda Beat
Indonesia

OVERVIEW

The Group achieved another record profit in 2011. Astra produced a fine set of results with excellent performances from all its major businesses, while some improvement was also seen in the Group's other motor interests.

PERFORMANCE

The Group's underlying profit increased by 25% to US$1,019 million in 2011. Profit attributable to shareholders was US$1,030 million after accounting for a non-trading gain of US$11 million, compared to US$944 million in the previous year which included a non-trading gain of US$132 million. The lower non-trading gain in 2011 was due to a much smaller increase in the fair value of Astra's oil palm plantations.

The excellent profit growth from all of Astra's major businesses, which was further enhanced by the strong rupiah, produced a contribution of US$1,011 million to the Group's underlying profit, an increase of 27%. The underlying profit contribution from the Group's other directly-held motor interests grew 10% to US$62 million.

The Group had consolidated net debt of US$108 million at the end of 2011, excluding borrowings within Astra's financial services subsidiaries, compared to the net debt of US$353 million at the end of 2010. The improvement was due to the strong operating cash flows and the net proceeds from the United Tractors rights issue. The net debt within Astra's financial services subsidiaries was US$3.4 billion at year end, US$1.1 billion higher than at the end of 2010, following an increase in the volume financed. The parent company had net cash of US$28 million.

GROUP REVIEW

ASTRA

The Indonesian economy grew by 6.5% in 2011, supported by growth in domestic demand, strong commodity prices and the availability of consumer and commercial finance at attractive interest rates. Under Indonesian accounting standards, Astra reported a net profit equivalent to US$2,027 million for 2011, an increase of 24% over the previous year in its reporting currency.

Automotive

The wholesale market for motor vehicles grew by 17% to 894,000 units. Astra's motor vehicle sales rose by 13% to 483,000 units, representing a market share of 54% compared

Toll Road Service
Indonesia

Honda Motorcycle Assembly
Indonesia

Automotive Components
Indonesia

to 56% in 2010. The growth in Astra's motor vehicle sales in 2011 was supported by a 40% expansion in manufacturing capacity at 32%-held Astra Daihatsu Motor to 330,000 units per annum and the launch of twelve new models.

The wholesale market for motorcycles grew by 9% to 8 million units. Astra Honda Motor's sales improved by 25% to 4.3 million units, with its market share increasing from 46% to 53%, led by strong sales growth in the scooter segment. Sales during the year were well supported by a 23% capacity expansion at 50%-held Astra Honda Motor to 4.3 million units per annum, and the launch of six new models together with eight revamped models.

Astra Otoparts, the 96%-owned component manufacturing business, reported a net income of US$115 million, of which 69% was contributed by associates and joint ventures. Net income declined by 12% compared to 2010 due to higher material costs, which could not be fully passed on to customers, and higher marketing and branding costs as the company sought to establish further its GS-Astra and Federal brands.

Financial Services

The increased contribution from Astra's finance operations reflected loan book growth in line with industry growth, a reduction in offshore funding costs and a stable customer credit experience. The aggregated amount financed through Astra's automotive-focused consumer finance operations, Federal International Finance, Astra Credit Companies and Toyota Astra Financial Services, grew by 13% to US$5.6 billion, including balances financed through joint bank financing without recourse. The aggregated amount financed through Astra's heavy equipment-focused finance operations, Surya Artha Nusantara Finance and Komatsu Astra Finance, grew by 51% to US$829 million. The heavy equipment-focused finance operations do not utilise joint bank financing facilities.

Higher retail and commercial premiums enabled group insurance company, Asuransi Astra Buana, to generate an increase in earnings.

Astra's 45%-held joint venture, Bank Permata, reported net income of US$132 million, an increase of 15%, driven by increases in net interest income and fee-based income, with loan book growth of 31%.

GROUP MANAGING DIRECTOR'S REVIEW

Honda Supra X 125
Indonesia

Coal Mining
Indonesia

Heavy Equipment and Mining
United Tractors, which is 60%-owned, reported net income up 52% to US$672 million. Strong results were seen in its Komatsu heavy equipment business, which sold almost 8,500 units, an increase of 57%. The contract coal mining operations of subsidiary, Pamapersada Nusantara, achieved an increase in contract coal production of 11% to 87 million tonnes and an increase in contract overburden removal of 22% to 796 million bcm. United Tractors sold 4.5 million tonnes of coal produced from its own mines.

Agribusiness
Astra Agro Lestari, which is 80%-held, reported net income for the year up 19% to US$274 million, as average crude palm oil prices achieved were 8% higher and palm oil production was up 14% at 1.3 million tonnes.

Infrastructure and Logistics
Net income from infrastructure and logistics grew by 68% to US$69 million, primarily due to the reversal of a prior year tax provision.

PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, increased its sales volume in 2011 by 4% to 153 million cubic metres. The 72.5 km Tangerang - Merak toll road operated by 79%-owned Marga Mandalasakti, reported an 11% increase in traffic volume to 33 million vehicles on higher average tariffs. Serasi Autoraya's improved profit was supported by a 26% increase in vehicles under contract at its rent-a-car business.

Information Technology
The group's 77%-owned Astra Graphia which is active in the area of information technology solutions, and is the sole distributor of Fuji Xerox equipment in Indonesia, reported a 18% increase in net income.

OTHER MOTOR INTERESTS

Underlying profit of the Group's other motor interests at US$62 million was 10% up on the previous year.

Singapore
Profit from the Group's wholly-owned Singapore motor operations increased by 16% to US$33 million despite the difficult trading conditions, as the fall in unit sales was mitigated by improved margins and a stronger Singapore dollar. The passenger car market fell by 33% to 28,300 units due to the sharp reduction in the government quota for new vehicles, which drove up the prices of vehicle certificates of entitlement. The Group sold 5,200 units of passenger cars, 38% lower than the previous year and its market share fell from 20% to 18%.

Malaysia
In Malaysia, 59%-owned Cycle & Carriage Bintang contributed a profit of US$5 million, the same as the previous year, as higher unit sales were offset by lower margins. Sales of Mercedes-Benz passenger cars grew by 19%. This included sales by newly acquired subsidiary, Lowe Motors, the authorised dealer of Mercedes-Benz vehicles in Penang, Malaysia, which has integrated well into the group.

Indonesia
In Indonesia, 44%-owned Tunas Ridean did well to increase its contribution by 16% to US$16 million with an improvement in automotive profit partly offset by a lower contribution from its consumer finance business.
Motor vehicle sales grew by 20% to 38,300 units and motorcycle sales rose by 32% to 198,100 units. New lending by its consumer finance associate, Mandiri Tunas Finance, increased by 57%, but its contribution was lower due to higher losses and provisions on its loan portfolio.

Vietnam
In Vietnam, 32%-owned Truong Hai Auto Corporation ("Thaco") contributed a profit of US$8 million, 12% down on the previous year. Despite a 26% increase in unit sales, the results suffered from slightly lower margins, higher finance and operating costs and the devaluation of the Vietnam dong. Under the challenging economic conditions, Thaco did well to strengthen its market share, made progress with the addition of new franchises, further established its production facilities and expanded its distribution network.

OUTLOOK

While the outlook for this year is positive, the possible impact of the deteriorating global economy on the Group's operations remains uncertain. Nevertheless, the Group's healthy balance sheet and strong underlying businesses enable it to face the challenges with confidence.

Ben Keswick
Group Managing Director
29th February 2012

Underlying profit attributable to shareholders

	2011 US$m	2010 US$m
Astra		
Automotive	**470.8**	398.3
Financial services	**186.6**	150.2
Heavy equipment and mining	**203.8**	128.7
Agribusiness	**109.5**	96.2
Infrastructure and logistics	**34.4**	19.7
Information technology	**6.1**	5.0
	1,011.2	798.1
Other motor interests		
Singapore	**32.6**	28.1
Malaysia	**5.1**	5.1
Indonesia (Tunas Ridean)	**15.8**	13.6
Vietnam	**8.3**	9.4
	61.8	56.2
Corporate costs and withholding tax		
Corporate costs	**(13.6)**	(13.4)
Withholding tax on dividends from Indonesia	**(40.4)**	(28.7)
	(54.0)	(42.1)
Underlying profit attributable to shareholders	**1,019.0**	812.2

Mercedes-Benz Autohaus
Malaysia

Bank Permata
Indonesia

Accounting Policies
The Directors continue to review the appropriateness of the accounting policies adopted by the Group having regard to developments in the International Financial Reporting Standards. In 2011, a number of new standards, amendments and interpretations to existing standards became effective and the Group adopted those which are relevant to its operations. As mentioned in Note 2 to the Financial Statements, their adoption did not have a material impact on the Group.

Results
The Group's revenue rose by 28% to US$20.1 billion. Revenue from Astra grew by 30% to US$18.6 billion with increases reflected in all its businesses, while revenue from the Group's other motor interests rose by 10% to US$1.4 billion. Gross revenue, including 100% of revenue from associates and joint ventures, which is a better measure of the extent of the Group's operations, increased by 25% to US$31.5 billion.

Operating profit at US$2,353 million increased by US$104 million or 5%. Excluding non-trading items, underlying operating profit increased by US$501 million or 28% to US$2,315 million. The increase in operating profit excluding non-trading items, reflected improved performances in all Astra's major businesses, in particular, increases in its automotive businesses on record volumes, increases from financial services on higher amounts financed and increases from heavy equipment and mining on higher volumes of Komatsu equipment sold, coal extracted and overburden removed. The Group's motor operations in Singapore also recorded improved operating profit.

The non-trading item consisted of a fair value gain of US$38 million on revaluation of oil palm plantations, compared to US$422 million in the previous year, due to a smaller increase in crude palm oil prices assumed.

Net financing charges (excluding interest income/expense relating to consumer financing and leasing activities) were US$2 million, compared to a small net financing income in the previous year.

The Group's share of after-tax results from associates and joint ventures increased by 17% to US$674 million, with higher contribution mainly from Astra's automotive associates and joint ventures, namely Astra Honda Motor and Astra Daihatsu Motor, and Bank Permata.

The effective tax rate of the Group was 25% compared with 26% in the previous year.

The Group's profit after tax for the year rose by 9% to US$2,443 million, of which US$1,030 million was attributable to shareholders, also 9% up on the previous year. Excluding non-trading items, underlying profit attributable to shareholders was US$1,019 million, 25% above the previous year.

Dividends
The Board is recommending a final one-tier tax exempt dividend of US¢105 per share (2010: US¢82 per share), which together with the interim dividend paid will give a total dividend of US¢123 per share (2010: US¢98 per share), an increase of 25% over the previous year. This represents a dividend payout equivalent to 43% of underlying earnings per share, the same payout ratio as the previous year. Shareholders will have the option to receive the dividend in Singapore dollar and in the absence of any election, the dividend will be paid in US dollar.

Cash Flow
The cash inflow from operating activities at US$973 million was US$635 million higher than the previous year due to the higher operating profit, partly offset by the increase in the level of working capital largely from higher financing debtors in Astra's financial services businesses.

The cash outflow used in investing activities was US$1,121 million, US$494 million higher than the previous year. This increase was due mainly to the acquisition of interests in five mining concessions, the acquisition of a 95% interest in the greenfield Kertosono-Mojokerto toll road, purchase of investments and capital expenditure, partly offset by higher dividends received from associates and joint ventures.

The cash inflow from financing activities at US$838 million was US$694 million higher than the previous year due to the net proceeds of US$280 million from United Tractors' rights issue and a higher drawdown of loans, partially offset by the payment of higher dividends.

At the year end, the Group had undrawn committed facilities of some US$1.6 billion. In addition, the Group had available liquid funds of US$1.5 billion. The Group's net debt excluding borrowings within Astra's financial services subsidiaries was US$108 million, compared to US$353 million at the end of the previous year, due to the strong operating cash flows and the net proceeds from United Tractors' rights issue. The net debt within the Group's financial services operations of US$3.4 billion was US$1.1 billion higher than at the previous year end due to an increase in lending activities. The Company ended the year with net cash of US$28 million.

Balance Sheet
Shareholders' funds increased by 18% to US$4.4 billion. Property, plant and equipment rose by US$1.0 billion to US$3.5 billion due to the purchases of heavy equipment and machinery for the increase in contract mining capacity, expansion of the rental fleet and investment in land and buildings for new dealerships. Interests in associates and joint ventures grew by US$197 million to US$2.4 billion due to the higher share of profits and the purchase of new and additional interests in various associates. Financing debtors (current and non-current) rose by US$1.2 billion to US$4.5 billion due to the increase in volumes financed while stocks, trade debtors and trade creditors increased due to higher business volumes.

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

Risk Management Review
A review of the major risks facing the Group is set out on page 31.

S C Chiew
Group Finance Director
29th February 2012

Astra Group and its foundations awarded more than 120,000 scholarships to help children further their studies
Indonesia

Jardine Cycle & Carriage ("JC&C") Group believes in fulfilling its role as a responsible corporate citizen by contributing to the communities where it operates and encouraging employee volunteerism. In 2011, the JC&C Group continued to support a range of programmes in the areas of mental health, education and community-related initiatives. In addition, Astra undertook programmes relating to environment conservation, income generating activities and community health promotion.

Astra's Corporate Social Responsibility Initiatives
In Indonesia, Astra's Corporate Social Responsibility ("CSR") programmes are implemented through the parent company, its various subsidiaries and seven foundations. These foundations are the Dharma Bhakti Astra Foundation ("YDBA"), Astra Bina Ilmu Foundation ("YABI"), Pendidikan Astra – Michael D. Ruslim Foundation ("YPA – MDR"), Toyota Astra Foundation ("YTA"), Amaliah Astra Foundation ("YAA"), Astra Honda Motor Foundation and Karya Bhakti United Tractors Foundation.

To date, Astra Group and its foundations awarded more than 120,000 scholarships to deserving students, including over 8,400 from underdeveloped areas, to help motivate them to excel academically and to nurture their potential through education. YPA – MDR provides assistance to schools in under-privileged communities to aid the National Education System and focuses on educational infrastructure development, educational materials and skills development. The aim is to improve the cognitive and life skills of their students, as well as to develop their character and values. YPA – MDR has supported 35 schools, including the running of training programmes for over 500 teachers.

Astra Group's income generating activities for the local communities are aimed at improving living standards and reducing unemployment. YDBA helps to develop Micro Small and Medium Enterprises ("MSME") in the vicinity of Astra's operations and provides support in the development of skills and entrepreneurship. In 2011, more than 7,200 MSMEs around Indonesia participated in the development programmes.

"Go Green with Astra" is a programme of tree planting initiated as a means of preserving nature and creating awareness of the dangers of greenhouse gases. Under this programme, more than 400,000 trees including mangrove trees have been planted all over Indonesia. Planting is also done in some parks and urban forests, like the Astra Park – Yos Sudarso, Toyota Eco Island – Ancol, Astra Otopart Park – Pulomas, Daihatsu Park – Cibubur and Tanjung Persada Forest City – Tabalong, South Kalimantan.

Astra conducts regular health programmes and health competitions in the community to promote a "Healthy and Happy Families" lifestyle. Since January 2011, Mobil Kesehatan Astra was established to provide free medical services to over 5,000 patients in Sungai Bambu, Warakas, and Papanggo. Another health programme, "Astra Menerangi Dunia", in cooperation with PERDAMI (Indonesian Ophthalmologist Association) aims to restore sight among those in the disadvantaged communities by providing free cataract surgery. About 100 residents have benefited since its launch in 2011.

Astra together with a number of its affiliated companies launched Donation for Orphans and Eid-ul-Fitr Package Distribution at Astra Mosque. In 2011, Astra Group handed out over 8,600 staple food packages to residents of the communities around Sungai Bambu, Warakas, Papanggo and other areas in North Jakarta.

In 2011, Astra donated around US$600,000 in relief aid package towards the reconstruction programme of the Education Centre, Village Health Care Centre and Practice Laboratory of Public Vocational High School following the Mount Merapi eruption in Central Java. It also donated four vehicles to the Indonesian Red Cross to support the blood donations programme.

MINDSET aims to promote awareness of mental health issues in the community and to provide support for affected families and relevant organisations
Singapore

Astra donated four vehicles to the Indonesian Red Cross to support the blood donations programme
Indonesia

Mental Health
MINDSET, a charity of the Jardine Matheson Group focusing on the mental health sector, extended its work to Singapore in late 2010. JC&C plays an active role in MINDSET together with other Jardine Matheson Group companies based in Singapore to promote this cause. MINDSET aims to raise awareness and understanding, and to change attitudes regarding mental health issues in Singapore. It also provides support for affected families and relevant organisations in this sector. Through the Jardine Ambassadors programme, which recruits young, talented and energetic volunteers from across the Jardine Matheson Group, MINDSET helps to organise activities, fundraising and other events.

In 2011, the Jardine Ambassadors organised four Fun Days for service users of the Institute of Mental Health, Hougang Care Centre and Singapore Association for Mental Health. Job opportunities were created within the Jardine Matheson Group for several service users, and activities were arranged to promote the sale of handicrafts made by the service users. In recognition of the collaboration with Simei Care Centre in promoting their products and helping their service users, MINDSET was presented with the Corporate Award at the Social Enterprise Association Awards 2011.

Education
At the Singapore Management University, three JC&C scholarships are awarded annually to provide financial support to outstanding students with excellent academic abilities, strong community involvement and leadership skills. JC&C also provides opportunities for scholarship holders to gain on-the-job working experience through an internship with the Company.

In Vietnam, Truong Hai Auto Corporation ("Thaco") donated nearly US$50,000 towards various scholarship funds and granted scholarships to students at the University of Technology for research and internship under the programme "Start Your Career". Thaco also sponsored the "Support in Exam Season" programme which provides counselling sessions, accommodation, transport and food for students preparing for their entrance exams.

Community-Related Initiatives
In Singapore, JC&C also supported other organisations in various development and recreational programmes. These included contributions to the HSBC Youth Excellence Initiative to help outstanding young people unlock their potential; Nanyang Technological University Camp Outreach to reach out to the hearing impaired community in Vietnam; the Yellow Ribbon project to help ex-offenders reintegrate into society; and HealthServe which serves the medical needs of the disadvantaged and low-wage community, including migrant workers.

In Malaysia, Cycle & Carriage Bintang contributed to the National Cancer Society of Malaysia's education, care and support, subsidy and maintenance programmes for five centres namely, Women's Cancer Detection Centre, Nuclear Medicine Centre, Resource and Wellness Centre, Cancer Treatment Centre and Children's Home of Hope.

In Indonesia, Tunas Ridean conducted its charitable activities under the TunasCare programme which aims to provide medical and educational aid to junior employees and underprivileged members of local communities. In 2011, TunasCare contributed to the cost of hospital treatment cases and funded the education of 121 children. TunasCare provided meals and donations during Ramadhan to 100 orphans from local communities in South Jakarta.

In Vietnam, Thaco organised regular blood donations as part of the "Community Helping Hands" initiative which supports fundraising programmes for "Day for the Poor" and the handicapped in Quang Nam, Dong Nai and also victims of natural disasters.

BOARD OF DIRECTORS

Benjamin Keswick
Mr Keswick was appointed Chairman on 1st April 2012. He was the Group Managing Director from 1st April 2007 to 31st March 2012 and was last re-elected as a director on 29th April 2010. Mr Keswick is the Managing Director of Jardine Matheson Holdings, Dairy Farm, Hongkong Land, Jardine Strategic and Mandarin Oriental. He has been with Jardine Matheson Holdings since 1998, undertaking a variety of roles before being appointed as Finance Director and then Chief Executive Officer of Jardine Pacific between 2003 and 2007. He is Chairman of Jardine Matheson Limited and a director of Jardine Pacific and Jardine Motors. He is also a commissioner of Astra and Vice President Commissioner of United Tractors. Mr Keswick graduated from Newcastle University with a Bachelor of Science degree in Agricultural Economics and Food Marketing and obtained a Master of Business Administration degree from INSEAD.

Past directorships in other listed companies over the preceding 3 years:
• Cycle & Carriage Bintang

Boon Yoon Chiang, PBM
Mr Boon was appointed Deputy Chairman of the Group in May 1996. He has been on the Board since 19th May 1993 and was last re-elected as a director on 21st April 2011. He is Country Chairman of Jardine Matheson Group in Singapore and a director of Food Empire Holdings. He serves on the Board of the Singapore International Chamber of Commerce and is the Honorary Secretary of the Singapore National Employers' Federation. He is a member of the Competition Appeal Board and serves on the Board of the Employment and Employability Institute. He sits on the Governing Council of the Singapore Institute of Directors, and the Singapore National Council of INSEAD, a leading international graduate business school. He is also a council member of the ASEAN Chambers of Commerce and Industry. He is a diploma holder from the Singapore Institute of Management majoring in Personnel Management. He completed the Senior Executive Programme at the London Business School.

Past directorships in other listed companies over the preceding 3 years:
• United International Securities

Alexander Newbigging
Mr Newbigging was appointed Group Managing Director on 1st April 2012. He has been employed by Jardine Matheson since 1995 in a variety of roles, spanning the fields of business process outsourcing, aviation services, retailing and engineering, and over this period was based in the Philippines, Australia, Malaysia and Hong Kong. Prior to his current appointment he was Chief Executive of Jardine Engineering Corporation and before that, General Manager of IKEA Hong Kong. Mr Newbigging is Chairman of Cycle & Carriage Bintang. He graduated from the University of Edinburgh with a Master of Arts (Honours) degree in mental philosophy and has completed the General Management Program at the Harvard Business School.

Past directorships in other listed companies over the preceding 3 years:
• Nil

Chiew Sin Cheok
Mr Chiew was appointed Group Finance Director on 1st November 2006 and was last re-elected as a director on 29th April 2010. He has worked for Jardine Matheson since 1993 where he has held various senior finance positions, prior to which he worked for Schroders and Pricewaterhouse, both in London. He is a commissioner of Astra and Astra Otoparts, Vice President Commissioner of Astra Agro Lestari, a member of the audit and advisory committees of Tunas Ridean and a director of Cycle & Carriage Bintang. Mr Chiew graduated from the London School of Economics and Political Science with a Bachelor of Science (Economics) degree and obtained a Master of Management Science degree from the Imperial College of Science and Technology, London. He is a member of the Institute of Chartered Accountants in England & Wales and has completed the Advanced Management Program at the Harvard Business School. Mr Chiew is on the Board of Governors of the Keswick Foundation, a charitable body in Hong Kong.

Past directorships in other listed companies over the preceding 3 years:
• Nil

Tan Sri Azlan Zainol
Tan Sri Azlan Zainol joined the Board as a non-executive director on 30th April 2004 and was last re-elected as a director on 21st April 2011. He is Chief Executive Officer of the Employees Provident Fund in Malaysia and Chairman of Malaysian Resources Corp and RHB Bank. He is also a director of RHB Capital and RHB Investment Bank. He is Vice Chairman of the Technical Commission of the International Social Security Association and a board member of ASEAN Social Security Association. Tan Sri Azlan Zainol is a fellow of the Institute of Chartered Accountants in England & Wales and a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

Past directorships in other listed companies over the preceding 3 years:
• MCL Land

Chang See Hiang
Mr Chang joined the Board on 16th July 1997 and was last re-elected as a director on 29th April 2010. He is Senior Partner of Chang See Hiang & Partners, a firm of advocates and solicitors. Mr Chang is a director of Parkway Pantai, Yeo Hiap Seng, and STT Communications. He is also a board member of the Casino Regulatory Authority of Singapore and a member of the Appeal Advisory Panel (Securities and Future Act, Financial Advisers Act/Insurance Act). Mr Chang graduated from the University of Singapore with a Bachelor of Law (Honours) degree.

Past directorships in other listed companies over the preceding 3 years:
• MCL Land
• Parkway Holdings

Cheah Kim Teck
Mr Cheah joined the Board on 1st March 2005 and was last re-elected as a director on 29th April 2009. He is Chief Executive Officer of the Group's motor operations, excluding those held by Astra. In this capacity, he oversees the Group's motor operations in Singapore, Malaysia and Vietnam. He is a commissioner of Tunas Ridean, a director of Cycle & Carriage Bintang, Trek 2000 International and Mapletree Logistics Trust Management, Deputy Chairman of the Singapore Sports Council, and also a member of Tote Board and the management committee of the Singapore Turf Club. Prior to joining the Group, he held several senior marketing positions in multinational companies, namely, McDonald's Restaurant, Kentucky Fried Chicken and Coca-Cola. He holds a Master of Marketing degree from the University of Lancaster, United Kingdom.

Past directorships in other listed companies over the preceding 3 years:
• Nil

Mark Greenberg
Mr Greenberg joined the Board on 7th June 2006 as a non-executive director and was last re-elected as a director on 29th April 2009. He was appointed Group Strategy Director of Jardine Matheson Holdings in 2008 having first joined the Group in 2006. He is a director of Jardine Matheson Limited, Dairy Farm, Hongkong Land and Mandarin Oriental. He is also a commissioner of Astra and Bank Permata. He had previously spent 16 years in investment banking with Dresdner Kleinwort Wasserstein in London. Mr Greenberg graduated from Hertford College, Oxford University, with a Master of Arts degree in Modern History.

Past directorships in other listed companies over the preceding 3 years:
• Nil

BOARD OF DIRECTORS

Hassan Abas
Mr Hassan has served as a director on the Board since 18th December 1992 and was last re-elected as a director on 21st April 2011. He is Deputy Chairman of Peremba (Malaysia) and a director of Kentz Corporation. He graduated from the University of Lancaster with a degree in Accounting and Finance and is a member of the Institute of Chartered Accountants in England & Wales.

Past directorships in other listed companies over the preceding 3 years:
• MCL Land

Lim Ho Kee
Mr Lim was appointed to the Board on 6th May 1997 and was last re-elected as a director on 21st April 2011. He is Non-Executive Chairman of Singapore Post and a director of Keppel Land. He was previously Chairman of UBS (East Asia) and a member of its Group Executive Board in Zurich. Mr Lim studied at the London School of Economics and Political Science where he obtained his Bachelor of Science (Economics) degree in 1968.

Past directorships in other listed companies over the preceding 3 years:
• MCL Land
• Transcu Group

Lim Hwee Hua
Mrs Lim joined the Board on 29th July 2011. She was first elected to Parliament in December 1996 and served up to May 2011. She last served as Minister in the Prime Minister's Office, Singapore, and concurrently as Second Minister for Finance and Transport. Prior to joining the government, she had a varied career in financial services, including Temasek Holdings as a Managing Director (2000-2004) and Jardine Fleming (1992-2000). She is a senior advisor to Kohlberg Kravis Roberts & Co, an independent non-executive member of Ernst & Young's Global Advisory Council, a director of PAP Community Foundation and has in the past sat on the boards of PSA Corporation, Keppel Corporation, Mapletree Investments and Singapore Pools. Mrs Lim graduated with a Master/Bachelor of Arts (Honours) in Mathematics/Engineering from the University of Cambridge and obtained a Master of Business Administration from the University of California at Los Angeles.

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

Anthony Nightingale
Mr Nightingale has served on the Board since 1993 and was Chairman from 27th November 2002 to 31st March 2012. He was last re-elected as a director on 29th April 2010. Mr Nightingale was the Managing Director of Jardine Matheson Holdings, Dairy Farm, Hongkong Land, Jardine Strategic and Mandarin Oriental until he retired from executive office in March 2012 and remains a non-executive director of these companies. He is also a commissioner of Astra. Mr Nightingale is a member of the Commission on Strategic Development, a member of the Committee on Strategic Enhancement of Hong Kong as an International Financial Centre, a vice president of The Real Estate Developers Association of Hong Kong, a council member of the Employers' Federation of Hong Kong, a Hong Kong representative to the APEC Business Advisory Council, a member of Chongqing Mayor's International Economic Advisory Council and a member of the UK ASEAN Business Council Advisory Panel. He is also a Justice of Peace and Chairman of The Sailors Home and Missions to Seamen in Hong Kong. Mr Nightingale holds a Bachelor's degree (Honours) in Classics from Peterhouse, Cambridge University.

Past directorships in other listed companies over the preceding 3 years:
• Nil

James Watkins
Mr Watkins joined the Board on 20th October 2003 and was last re-elected as a director on 21st April 2011. He was Group General Counsel of Jardine Matheson Holdings from 1997 to 2003. Mr Watkins qualified as a solicitor in 1969 and was formerly a partner of the English law firm, Linklaters & Paines. He is also a director of Hongkong Land, Mandarin Oriental, Global Sources, Advanced Semiconductor Manufacturing Corporation and Asia Satellite Telecommunications Holdings. He graduated from Leeds University with a first-class (Honours) degree in Law.

Past directorships in other listed companies over the preceding 3 years:
• MCL Land

Notes:
(1) Information on Board of Directors as at 1st April 2012.
(2) Alexander Newbigging, Chiew Sin Cheok and Cheah Kim Teck are executive directors while Chang See Hiang, Hassan Abas, Lim Ho Kee, Lim Hwee Hua and James Watkins are considered by the Nominating Committee to be independent directors.
(3) At the 43rd Annual General Meeting to be held on 25th April 2012:
   a. Cheah Kim Teck, Mark Greenberg, Chiew Sin Cheok and Benjamin Keswick shall retire and be eligible for re-election pursuant to Article 94 of the Articles of Association of the Company;
   b. Lim Hwee Hua and Alexander Newbigging shall retire and be eligible for re-election pursuant to Article 99 of the Articles of Association of the Company;
   c. Boon Yoon Chiang shall retire and be eligible to be re-appointed to act as a director pursuant to Section 153(6) of the Companies Act, Cap. 50.

KEY MANAGEMENT STAFF

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

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

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

CORPORATE GOVERNANCE

The Board of Jardine Cycle & Carriage has put in place a Corporate Governance Policies Manual which sets out the Company's corporate governance practices and terms of reference for the Board, Audit Committee, Nominating Committee and Remuneration Committee, in line with the principles prescribed by the Code of Corporate Governance 2005.

This report describes the corporate governance practices of the Company for the financial year ended 31st December 2011, in adherence to the principles and guidelines of the Code of Corporate Governance 2005.

The Board

The Board is composed of a majority of non-executive directors and at least one-third of its members are independent directors. It comprises three executive directors and nine non-executive directors of whom five are independent. Key information regarding the directors, including those who are executive and non-executive and whether or not they are independent, can be found on pages 22 to 24 of the Annual Report.

The Board ensures that there is an appropriate mix of core competencies and skills among its members to provide the depth of knowledge and experience necessary to meet its responsibilities. In order to fulfil their duties, directors have access to adequate and timely information provided by the management, including management accounts which are provided on a monthly basis to the directors. In addition, the Board has separate and independent access to the Group Company Secretary and senior management. It is also empowered to seek independent professional advice as considered necessary. Briefings are provided from time to time to ensure that new and existing directors are kept abreast of relevant new laws, regulations and practices.

There is a clear division of responsibilities between the roles of the Chairman and Group Managing Director. The Group Managing Director is the chief executive officer of the organisation, whereas the Chairman occupies a non-executive position and chairs the Board meetings. The Board has adopted a comprehensive set of Terms of Reference defining the roles and responsibilities of the Chairman, the Board, the Board Committees and the Group Company Secretary. Board meetings are scheduled on a regular basis throughout the year in consultation with the Chairman. The Company's Articles of Association allow Board meetings to be held by way of telephone conference and other electronic means.

The Board is responsible for charting the overall strategy and direction of the Group and approves important matters such as major acquisitions, disposals, capital expenditure and the operating plan and budget. To safeguard shareholders' interests, there are also internal guidelines requiring the Board to review and approve material transactions, and these include major and discloseable transactions as referred to in the Singapore Exchange's Listing Manual. In addition, the Board ensures regular and timely communication with shareholders through announcements on the SGXNET and postings on the Company's website, as well as quarterly and year-end reporting of its results. The Annual General Meeting is the principal forum for dialogue with shareholders, where the directors, members of the Board Committees and external auditors are available to answer questions.

The Board recognises the importance of a sound system of internal controls and risk management to safeguard shareholders' interests and the Company's assets as well as to achieve corporate objectives. The Board has overall responsibility for the Group's internal controls and risk management and reviews the effectiveness of these control and risk management systems. Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by management throughout the financial year 2011, the Board, with the concurrence of the Audit Committee, is satisfied that adequate internal controls including financial, operational and compliance controls and risk management systems are in place and meet the needs of the Group in its current business environment.

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

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

Nominating Committee

The members of the Nominating Committee are Chang See Hiang, Hassan Abas, Lim Ho Kee and Anthony Nightingale. Three of the members are independent and all are non-executive. The Nominating Committee is chaired by Chang See Hiang, an independent non-executive director.

The members of the Nominating Committee carry out their duties in accordance with the Terms of Reference defining their roles and responsibilities. The primary function of the Nominating Committee is to make recommendations to the Board on all Board appointments, including the Company's representatives on the boards of the Group's subsidiaries and associates. It ensures that the directors have an appropriate mix of core competencies and experience in areas such as accountancy, finance, business, management, law, industry knowledge and strategic planning to fulfil their roles and responsibilities. It also determines the size of the Board after taking into consideration the scope and nature of operations of the Group.

The responsibilities of the Nominating Committee also include assessing annually the independence of directors. It also develops and maintains internal guidelines used to evaluate the directors' ability and performance for the purpose of submitting them for re-nomination and re-election. Additionally, it is responsible for managing succession planning of key management executives, such as identifying key potential candidates and providing training and career planning.

A formal and transparent process for the appointment of new directors exists. The Nominating Committee reviews each proposal for the appointment of a new member to the Board. The candidate will be assessed for his suitability and potential contribution to the Board, taking into account the existing competencies, knowledge and experience of the other Board members. After considering factors such as the candidate's professional qualifications, business experience and capabilities, suitable candidates will be nominated to the Board for approval. All newly appointed directors are subject to election by shareholders at the next Annual General Meeting. Furthermore, in accordance with the Company's Articles of Association, at least one-third of the directors, including the Group Managing Director, are required to retire by rotation and submit themselves for re-election at each Annual General Meeting.

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

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

For the Board's performance as a whole, the Company has adopted a set of quantitative and qualitative performance criteria. For the quantitative assessment, the share price performance, return on capital employed ("ROCE") and earnings per share of the Company are compiled over a five-year period and compared with the Straits Times Index and industry peers which have similar businesses as the Company. The selection of industry peers is reviewed annually to ensure that the comparison is objective and relevant. The collation of information and the comparison are carried out by external consultants and set out in a performance benchmark report which is then reviewed by the Nominating Committee. For the qualitative assessment, the Nominating Committee carries out a self-evaluation of the Board's performance using a set of comprehensive pre-determined performance criteria. The areas that are covered are Board structure, conduct of meetings, corporate strategy and planning, risk management and internal control, measuring and monitoring performance, recruitment and evaluation, compensation, succession planning, financial reporting and communicating with shareholders.

Directors' Attendance at Board and Board Committee Meetings

The table below sets out the number of meetings of the Company's directors including meetings of the Board Committees during the financial year ended 31st December 2011.

	No. of Board Meetings		No. of Nominating Committee Meetings		No. of Audit Committee Meetings		No. of Remuneration Committee Meetings	
Director	Held whilst a Director	Attended	Held whilst a Member	Attended	Held whilst a Member	Attended	Held whilst a Member	Attended
Anthony Nightingale	4	3	1	1	NA	NA	2	2
Boon Yoon Chiang	4	3	NA	NA	4	4	NA	NA
Benjamin Keswick	4	4	NA	NA	NA	NA	NA	NA
Chiew Sin Cheok	4	4	NA	NA	NA	NA	NA	NA
Tan Sri Azlan Zainol	4	4	NA	NA	NA	NA	NA	NA
Chang See Hiang	4	4	1	1	4	4	2	2
Cheah Kim Teck	4	4	NA	NA	NA	NA	NA	NA
Mark Greenberg	4	4	NA	NA	4	3	NA	NA
Hassan Abas	4	4	1	1	4	4	2	2
Lim Ho Kee	4	4	1	1	4	4	NA	NA
Lim Hwee Hua*	2	2	NA	NA	2	2	NA	NA
James Watkins	4	3	NA	NA	4	3	2	1

* Appointed on 29th July 2011

Remuneration Committee

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

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

The remuneration for executive directors and senior management is structured to link rewards to corporate and individual performance. The remuneration policy for executive directors and senior management staff consists of both a fixed and variable component. The fixed component includes salary, pension fund contributions and other allowances. The variable component comprises a performance based bonus, which is payable on the achievement of individual and corporate performance targets.

Short-term and long-term incentive plans have been designed to strengthen the pay for performance framework and to reward participants for the success of the business units and the Group.

No service contract has been signed with any executive director.

Directors' fees for non-executive directors are determined having regard to best market practice, the level of duties and responsibilities of the directors and the size and diversity of the Group's operations and were last reviewed in 2011.

In March 2012, the Remuneration Committee conducted a review of the directors' fees for non-executive directors and recommended a revision to bring them in line with industry practice and market norm for directors of comparable sized companies and reflect the increasingly onerous corporate governance obligations and directors' fiduciary responsibilities. The current and proposed revised directors' fees are as follows:

Chairman	Current S$	Revised S$
Board	75,000	120,000
Audit Committee	30,000	40,000
Remuneration Committee	10,000	14,000
Nominating Committee	10,000	14,000

Member	Current S$	Revised S$
Board	50,000	60,000
Audit Committee	15,000	20,000
Remuneration Committee	5,000	7,000
Nominating Committee	5,000	7,000

Attendance fees of S$1,000 per meeting (capped at one meeting per day, regardless of the number of meetings attended on that day) and benefits-in-kind remain unchanged.

The Board, after due deliberation, approved the proposed revision to the Directors' fees subject to shareholders' approval at the Annual General Meeting.

No directors' fees are paid to executive directors.

Remuneration of Directors and Key Executives

The remuneration of the directors of the Company and at least the top five key executives (who are not also directors) of the Group for the financial year ended 31st December 2011 is shown in the following bands, broken down into the various elements by percentages:

Director	Directors' fees %	Base salary %	Variable bonus %	Defined benefits/ contribution plans %	Benefits-in-kind %	Total %
Below S$250,000						
Anthony Nightingale	100	–	–	–	–	100
Boon Yoon Chiang	96	–	–	–	4	100
Tan Sri Azlan Zainol	100	–	–	–	–	100
Chang See Hiang	99	–	–	–	1	100
Mark Greenberg	100	–	–	–	–	100
Hassan Abas	100	–	–	–	–	100
Lim Ho Kee	100	–	–	–	–	100
Lim Hwee Hua*	100	–	–	–	–	100
James Watkins	100	–	–	–	–	100
S$1,000,000 to S$1,249,999						
Chiew Sin Cheok#	–	26	36	4	34	100
S$1,750,000 to S$1,999,999						
Cheah Kim Teck#	–	34	61	–	5	100
S$3,500,000 to S$3,749,999						
Benjamin Keswick#	–	15	62	2	21	100

\# Executive Director
* Appointed on 29th July 2011

Key Executives	Base salary %	Variable bonus %	Defined benefits/ contribution plans %	Benefits-in-kind %	Total %
S$250,000 to S$499,999					
Alvyn Ang	33	59	3	5	100
Jason Wen	39	49	3	9	100
S$500,000 to S$749,999					
Eric Chan	28	63	2	7	100
Emily Wee	47	43	1	9	100
S$750,000 to S$999,999					
Ho Yeng Tat	46	48	1	5	100

Notes:
(1) Directors' fees for non-executive directors including benefits-in-kind were approved by the shareholders as a lump sum at the Annual General Meeting held in 2011.
(2) Benefits-in-kind refer to benefits such as car, driver, housing and club membership made available as appropriate.

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

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

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

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

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

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

In performing its functions, the Audit Committee also reviews and approves audit plans for external audit. It meets with the external auditors to discuss significant accounting and auditing issues arising from their audit, other audit findings and recommendations. It also considers management letters from the external auditors and management's response to them.

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

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

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

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

For the year ended 31st December 2011, the following interested person transactions were entered into:

	Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US$m	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) US$m
Jardine Matheson Limited – management support services	–	6.0
Jardine OneSolution (2001) Pte Ltd – information technology support services	–	0.2
Total	–	6.2

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

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

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

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

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

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

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

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

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

The following are the major residual risk exposures.

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

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

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

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

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

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

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

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

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

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

   The Group has an internal policy which prohibits speculative transactions to be undertaken and only enters into derivative financial instruments in order to hedge underlying exposures. The objective is to provide a degree of certainty on costs. The investment of the Group's surplus cash resources is managed so as to minimise credit risk while seeking to enhance yield. The steps taken by the Group to manage its exposure to financial risks are set out in further detail under Financial Risk Management on page 62, Note 2.30 to the Financial Statements. The Group also has a system of internal controls as described in this report.

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

FINANCIAL STATEMENTS

Kia Cerato Forte
Singapore

The directors of Jardine Cycle & Carriage Limited present their report to the members together with the audited financial statements for the financial year ended 31st December 2011.

1. Directors

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

Anthony John Liddell Nightingale (Chairman)
Boon Yoon Chiang (Deputy Chairman) #
Benjamin William Keswick (Group Managing Director)
Chiew Sin Cheok (Group Finance Director)
Tan Sri Azlan Zainol
Chang See Hiang #
Cheah Kim Teck
Mark Spencer Greenberg #
Hassan Abas #
Lim Ho Kee #
Lim Hwee Hua # (appointed 29th July 2011)
James Arthur Watkins #

Audit Committee member

2. Directors' Interests

As at 31st December 2011 and 1st January 2011, the directors of the Company had interests set out below in the ordinary shares of the Company and related companies. These were direct interests except where otherwise indicated:

Name of director/ Par value per share	The Company -	Jardine Matheson US$0.25	Jardine Strategic US$0.05	Dairy Farm US$0.05 5/9	Astra International Rp 500	Hongkong Land US$0.10
As at 31st December 2011						
Anthony Nightingale	-	1,099,059 10,589 #	17,684	34,183	610,000	2,184
Benjamin Keswick	-	2,376,841 38,131,945 *	-	-	-	-
Cheah Kim Teck	20,189	-	-	-	-	-
James Watkins	-	103,893	-	-	-	-
As at 1st January 2011						
Anthony Nightingale	-	1,072,039 10,329 #	17,548	34,183	610,000	2,184
Benjamin Keswick	-	2,273,890 37,351,128 *	-	-	-	-
Cheah Kim Teck	20,189	-	-	-	-	-
James Watkins	-	101,340	-	-	-	-

Non-beneficial deemed interest.

* Deemed interest in shares held by family trusts in which Benjamin Keswick is a beneficiary.

2. Directors' Interests (continued)

In addition:

(a) At 31st December 2011, Benjamin Keswick, Chiew Sin Cheok and Mark Greenberg held options in respect of 190,000 (1.1.11: 250,000), 20,000 (1.1.11: 20,000) and 200,000 (1.1.11: 200,000) ordinary shares, respectively, in Jardine Matheson issued pursuant to that company's Senior Executive Share Incentive Schemes.

(b) At 31st December 2011 and 1st January 2011, Anthony Nightingale, Benjamin Keswick and Mark Greenberg had deemed interests in 35,915,991 ordinary shares in Jardine Matheson as discretionary objects under the 1947 Trust, the income of which is available for distribution to senior executive officers and employees of Jardine Matheson and its wholly-owned subsidiaries.

There were no changes in the abovementioned interests with regards to the Company between the end of the financial year and 21st January 2012.

No other person who was a director of the Company at the end of the financial year had an interest in any shares or debentures of the Company or its related companies either at the beginning or end of the financial year or on 21st January 2012.

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

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related company with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as shown in Note 31 to the financial statements and in this report, and except that certain directors who are nominees of the substantial shareholders have employment relationships either with the substantial shareholders or their related companies and have received remuneration in those capacities.

3. Audit Committee

In relation to the financial statements of the Group and the Company for the financial year ended 31st December 2011, the Audit Committee reviewed the audit plans and scope of the audit examination of the internal and external auditors of the Company. The internal and external auditors' findings on the internal controls of the companies within the Group and management's response to these findings were also discussed with the internal and external auditors and management. The Audit Committee's activities included a review of the financial statements of the Group and the Company for the financial year ended 31st December 2011 and the reports of the external auditors thereon. The Audit Committee has had four meetings since the report of the previous financial year.

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

4. **Share Options**

The CCL Executives' Share Option Scheme 2000 ("ESOS II") which became operative on 1st January 2000, expired on 31st December 2009. As at 31st December 2011, the outstanding options totalled 13,000, all of which have become vested. The total number of shares that can be issued pursuant to ESOS II shall not exceed 15% of the issued share capital of the Company.

During the financial year, 20,000 shares were issued pursuant to the exercise of options granted under ESOS II. As at 31st December 2011, the following options to take up 13,000 unissued shares in the Company were outstanding:

Date of grant	No. of options				
	At 1.1.2011	Exercised	At 31.12.2011	Exercise price S$	Expiry Date
28.2.2002	33,000	20,000	13,000	1.664	27.2.2012

No director of the Company held any options in the Company as at 1st January 2011 and 31st December 2011.

There were no participants who are controlling shareholders of the Company and their associates. A person who is a substantial shareholder of the Company is not eligible to participate in the share option scheme. The share option scheme does not provide for participation by parent group employees. The Company's ultimate holding company is Jardine Matheson Holdings Limited.

No employee received options granted pursuant to the scheme which, in aggregate, represented 5% or more of the total number of shares available under the share option scheme.

No options were granted pursuant to the share option scheme with an exercise price at a discount to the market.

5. **Auditors**

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

On behalf of the directors

Anthony Nightingale
Director

Hassan Abas
Director

Singapore
13th March 2012

STATEMENT BY DIRECTORS

In the opinion of the directors, the accompanying financial statements set out on pages 41 to 115 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company at 31st December 2011, the results of the business and the changes in equity of the Group and of the Company and the cash flows of the Group for the financial year then ended, and 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

Anthony Nightingale
Director

Hassan Abas
Director

Singapore
13th March 2012

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Jardine Cycle & Carriage Limited (the "Company") and its subsidiaries (the "Group") set out on pages 41 to 115, which comprise the balance sheets of the Company and of the Group as at 31st December 2011, the profit and loss account, the statement of comprehensive income and the statement of changes in equity of the Company and the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group 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 (the "Act") and the International Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the balance sheet, the profit and loss account, the statement of comprehensive income and the statement of changes in equity of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and the International 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 31st December 2011, and the results, changes in equity of the Company and of the Group and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

PricewaterhouseCoopers LLP
Public Accountants and
Certified Public Accountants

Singapore
13th March 2012

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2011

	Notes	**2011 US$m**	2010 US$m
Revenue	3	**20,083.5**	15,680.2
Net operating costs	4	**(17,730.2)**	(13,431.2)
Operating profit		**2,353.3**	2,249.0
Financing income		**82.1**	55.9
Financing charges		**(83.7)**	(55.4)
Net financing income/(charges)	6	**(1.6)**	0.5
Share of associates' and joint ventures' results after tax	16	**674.4**	577.9
Profit before tax		**3,026.1**	2,827.4
Tax	7	**(583.2)**	(583.2)
Profit after tax		**2,442.9**	2,244.2
Profit attributable to:			
Shareholders of the Company		**1,030.4**	944.3
Non-controlling interests		**1,412.5**	1,299.9
		2,442.9	2,244.2
		US¢	US¢
Earnings per share:			
- basic	9	**289.68**	265.48
- diluted	9	**289.68**	265.48

The notes on pages 51 to 115 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2011

	2011 US$m	2010 US$m
Profit for the year	**2,442.9**	2,244.2
Asset revaluation reserve		
- surplus during the year	**31.7**	-
Translation differences		
- gains/(losses) arising during the year	**(140.8)**	290.2
Available-for-sale investments		
- gains arising during the year	**52.7**	35.5
- transfer to profit and loss	**(20.4)**	(13.2)
Cash flow hedges		
- gains/(losses) arising during the year	**(2.3)**	12.1
- transfer to profit and loss	**0.2**	(0.2)
Defined benefit pension plans		
- actuarial gains/(losses) arising during the year	**(7.1)**	19.6
Share of other comprehensive income of associates and joint ventures, net of tax	**(5.0)**	6.1
Tax relating to components of other comprehensive income	**2.3**	(8.1)
Other comprehensive income for the year	**(88.7)**	342.0
Total comprehensive income for the year	**2,354.2**	2,586.2
Attributable to:		
Shareholders of the Company	**1,016.1**	1,098.8
Non-controlling interests	**1,338.1**	1,487.4
	2,354.2	2,586.2

The notes on pages 51 to 115 form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET

As at 31st December 2011

	Notes	2011 US$m	2010 US$m
Non-current assets			
Intangible assets	10	**902.5**	693.6
Leasehold land use rights	11	**499.3**	448.0
Property, plant and equipment	12	**3,543.4**	2,521.1
Investment properties	13	**59.4**	25.0
Plantations	14	**1,057.9**	953.8
Interests in associates and joint ventures	16	**2,408.6**	2,211.8
Non-current investments	17	**595.3**	410.3
Non-current debtors	20	**2,300.4**	1,708.9
Deferred tax assets	25	**115.5**	80.2
		11,482.3	9,052.7
Current assets			
Current investments	17	**4.5**	5.7
Stocks	19	**1,448.5**	1,310.4
Current debtors	20	**4,591.1**	3,199.8
Current tax assets		**64.5**	128.5
Bank balances and other liquid funds			
- non-financial services companies		**1,282.6**	662.1
- financial services companies		**221.9**	175.9
	21	**1,504.5**	838.0
		7,613.1	5,482.4
Total assets		**19,095.4**	14,535.1
Non-current liabilities			
Non-current creditors	22	**199.5**	83.7
Provisions	23	**77.5**	61.0
Long-term borrowings			
- non-financial services companies		**639.7**	421.9
- financial services companies		**2,001.5**	1,128.0
	24	**2,641.2**	1,549.9
Deferred tax liabilities	25	**412.5**	330.0
Pension liabilities	26	**136.4**	106.9
		3,467.1	2,131.5

The notes on pages 51 to 115 form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31st December 2011

	Notes	2011 US$m	2010 US$m
Current liabilities			
Current creditors	22	**3,085.6**	2,222.5
Provisions	23	**37.2**	34.2
Current borrowings			
- non-financial services companies		**754.2**	595.2
- financial services companies		**1,669.9**	1,402.7
	24	**2,424.1**	1,997.9
Current tax liabilities		**115.9**	91.7
		5,662.8	4,346.3
Total liabilities		**9,129.9**	6,477.8
Net assets		**9,965.5**	8,057.3
Equity			
Share capital	27	**632.3**	632.3
Revenue reserve	28	**3,276.4**	2,604.0
Other reserves	29	**497.9**	506.8
Shareholders' funds		**4,406.6**	3,743.1
Non-controlling interests	30	**5,558.9**	4,314.2
Total equity		**9,965.5**	8,057.3

The notes on pages 51 to 115 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2011

	Attributable to shareholders of the Company							
	Share capital US$m	Revenue reserve US$m	Asset revaluation reserve US$m	Translation reserve US$m	Fair value and other reserves US$m	Total US$m	Attributable to non-controlling interests US$m	Total equity US$m
2011								
Balance at 1st January	**632.3**	**2,604.0**	**317.8**	**157.6**	**31.4**	**3,743.1**	**4,314.2**	**8,057.3**
Total comprehensive income	**-**	**1,025.0**	**15.9**	**(63.0)**	**38.2**	**1,016.1**	**1,338.1**	**2,354.2**
Issue of shares to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**309.3**	**309.3**
Dividends paid by the Company	**-**	**(351.9)**	**-**	**-**	**-**	**(351.9)**	**-**	**(351.9)**
Dividends paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**(537.1)**	**(537.1)**
Change in shareholding	**-**	**0.8**	**-**	**-**	**-**	**0.8**	**(2.4)**	**(1.6)**
Acquisition of subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**140.5**	**140.5**
Other	**-**	**(1.5)**	**-**	**-**	**-**	**(1.5)**	**(3.7)**	**(5.2)**
Balance at 31st December	**632.3**	**3,276.4**	**333.7**	**94.6**	**69.6**	**4,406.6**	**5,558.9**	**9,965.5**
2010								
Balance at 1st January	632.3	1,916.0	317.8	29.6	15.2	2,910.9	3,405.9	6,316.8
Total comprehensive income	-	954.6	-	128.0	16.2	1,098.8	1,487.4	2,586.2
Issue of shares to non-controlling interests	-	-	-	-	-	-	0.4	0.4
Dividends paid by the Company	-	(228.0)	-	-	-	(228.0)	-	(228.0)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(416.5)	(416.5)
Change in shareholding	-	(38.4)	-	-	-	(38.4)	(153.9)	(192.3)
Disposal of subsidiaries	-	-	-	-	-	-	(8.9)	(8.9)
Other	-	(0.2)	-	-	-	(0.2)	(0.2)	(0.4)
Balance at 31st December	632.3	2,604.0	317.8	157.6	31.4	3,743.1	4,314.2	8,057.3

The notes on pages 51 to 115 form an integral part of the financial statements.

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2011

	Notes	**2011 US$m**	2010 US$m
Revenue	3	**452.1**	318.3
Net operating costs	4	**7.3**	(11.7)
Operating profit		**459.4**	306.6
Financing charges	6	**(1.5)**	(1.1)
Profit before tax		**457.9**	305.5
Tax	7	**(40.8)**	(29.3)
Profit after tax		**417.1**	276.2

The notes on pages 51 to 115 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2011

	2011 US$m	2010 US$m
Profit for the year	**417.1**	276.2
Translation difference		
- gains/(losses) arising during the year	**(15.8)**	126.3
Available-for-sale investment		
- losses arising during the year	**(1.3)**	(0.3)
Other comprehensive income for the year	**(17.1)**	126.0
Total comprehensive income for the year	**400.0**	402.2

The notes on pages 51 to 115 form an integral part of the financial statements.

BALANCE SHEET

As at 31st December 2011

	Notes	2011 US$m	2010 US$m
Non-current assets			
Property, plant and equipment	12	**29.5**	29.3
Interests in subsidiaries	15	**1,361.3**	1,373.2
Interests in associates and joint ventures	16	**190.1**	173.7
Non-current investment	17	**6.7**	8.0
		1,587.6	1,584.2
Current assets			
Current debtors	20	**82.3**	0.7
Bank balances and other liquid funds	21	**28.0**	6.9
		110.3	7.6
Total assets		**1,697.9**	1,591.8
Non-current liabilities			
Deferred tax liabilities	25	**0.2**	0.4
		0.2	0.4
Current liabilities			
Current creditors	22	**88.6**	31.2
Current tax liabilities		**1.6**	0.8
		90.2	32.0
Total liabilities		**90.4**	32.4
Net assets		**1,607.5**	1,559.4
Equity			
Share capital	27	**632.3**	632.3
Revenue reserve	28	**605.5**	540.3
Other reserves	29	**369.7**	386.8
Total equity		**1,607.5**	1,559.4

The notes on pages 51 to 115 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2011

	Share capital US$m	Revenue reserve US$m	Translation reserve US$m	Fair value and other reserves US$m	Total equity US$m
2011					
Balance at 1st January	**632.3**	**540.3**	**385.9**	**0.9**	**1,559.4**
Total comprehensive income	**-**	**417.1**	**(15.8)**	**(1.3)**	**400.0**
Dividends paid	**-**	**(351.9)**	**-**	**-**	**(351.9)**
Balance at 31st December	**632.3**	**605.5**	**370.1**	**(0.4)**	**1,607.5**
2010					
Balance at 1st January	632.3	492.1	259.6	1.2	1,385.2
Total comprehensive income	-	276.2	126.3	(0.3)	402.2
Dividends paid	-	(228.0)	-	-	(228.0)
Balance at 31st December	632.3	540.3	385.9	0.9	1,559.4

The notes on pages 51 to 115 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31st December 2011

	Notes	2011 US$m	2010 US$m
Cash flows from operating activities			
Cash generated from operations	35	**1,516.2**	932.7
Interest paid		**(69.9)**	(45.4)
Interest received		**81.6**	56.3
Other finance costs paid		**(8.3)**	(7.2)
Income taxes paid		**(546.8)**	(598.7)
		(543.4)	(595.0)
Net cash flows from operating activities		**972.8**	337.7
Cash flows from investing activities			
Sale of leasehold land use rights		**-**	2.0
Sale of property, plant and equipment		**13.9**	12.1
Sale of investment properties		**4.1**	-
Sale of plantations		**-**	0.7
Sale of subsidiaries, net of cash disposed	36	**1.8**	19.4
Sale of shares in associates and joint ventures		**1.1**	-
Sale of investments		**117.9**	55.3
Purchase of intangible assets		**(107.6)**	(58.1)
Purchase of leasehold land use rights		**(120.3)**	(60.3)
Purchase of property, plant and equipment		**(907.6)**	(569.3)
Additions to plantations		**(91.3)**	(87.2)
Purchase of subsidiaries, net of cash acquired	36	**(208.5)**	2.8
Purchase of shares in associates and joint ventures		**(53.3)**	(142.2)
Purchase of investments		**(263.5)**	(163.3)
Capital repayment of investments		**5.9**	54.3
Repayment by associates		**-**	10.5
Dividends received from associates and joint ventures (net)		**486.1**	296.3
Net cash flows used in investing activities		**(1,121.3)**	(627.0)
Cash flows from financing activities			
Drawdown of loans		**5,709.8**	3,549.1
Repayment of loans		**(4,285.8)**	(2,569.4)
Changes in controlling interests in subsidiaries		**(1.6)**	(192.3)
Investments by non-controlling interests		**304.1**	0.4
Dividends paid to non-controlling interests		**(537.1)**	(416.5)
Dividends paid by the Company		**(351.9)**	(228.0)
Net cash flows from financing activities		**837.5**	143.3
Net change in cash and cash equivalents		**689.0**	(146.0)
Cash and cash equivalents at the beginning of the year		**847.8**	962.1
Effect of exchange rate changes		**(26.6)**	31.7
Cash and cash equivalents at the end of the year	36	**1,510.2**	847.8

The notes on pages 51 to 115 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2011

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

1 General

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

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

On 13th March 2012, the Jardine Cycle & Carriage Limited Board of Directors authorised the financial statements for issue.

2 Significant Accounting Policies

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

2.1 Basis of Preparation

The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.31.

The following standards, amendments and interpretations to existing standards which are effective in the current accounting period and relevant to the Group's operations were adopted in 2011:

Revised IAS 24	Related Party Disclosures
Amendment to IAS 32	Classification of Rights Issue
Amendments to IFRIC 14	Prepayments of a Minimum Funding Requirement
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
Improvements to IFRSs (2010)	

The adoption of the standards, amendments and interpretations did not have a material impact on the Group.

The following new standards, amendments and interpretations which are relevant to the Group's operations were published, but are effective for accounting periods beginning on or after 1st January 2012 or later periods:

Amendments to IFRS 7	Financial Instruments: Disclosures on Derecognition
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
IAS 19 (amended 2011)	Employee Benefits
IAS 27 (2011)	Separate Financial Statements
IAS 28 (2011)	Investments in Associates and Joint Ventures
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

The adoption of the new standards, amendments and interpretations in future periods would have no material impact on the Group.

2 Significant Accounting Policies (continued)

2.2 Consolidation

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

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% 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.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of acquisition is measured as the fair value of the assets given, equity instruments issued, liabilities incurred or assumed and any contingent consideration at the date of exchange. Acquisition-related costs are expensed off. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition dates, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated profit and loss account. In a business combination achieved in stages, the Group remeasures its previously held interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss in the profit and loss account. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When control over a previous subsidiary is lost, any remaining interest in the entity is remeasured at fair value and the resulting gain or loss is recognised in the profit and loss account.

All significant inter-company balances, transactions and unrealised gains have been eliminated in full on consolidation. Unrealised losses from inter-company transactions are also eliminated unless cost cannot be recovered. Adjustments have been made where necessary to ensure consistency with the policies adopted by the Group.

Associates are entities, not being subsidiaries or joint ventures, over which the Group has significant influence, but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Joint ventures are entities in which the Group has contractual arrangements to jointly share control with one or more other parties. Associates and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting and are initially recorded at cost. The Group's investment in associates and joint ventures includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Group's share of its post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are included in the carrying amount of the associates and joint ventures. Its share of post-acquisition profit and loss is recognised in the consolidated profit and loss account.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associate or joint venture.

Significant unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Adjustments have been made where necessary to ensure consistency with the policies adopted by the Group.

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

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

2 Significant Accounting Policies (continued)

2.3 Property, Plant and Equipment

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

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

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

Building and leasehold improvements	$3^1/_3$%	-	50%
Plant and machinery	5%	-	50%
Office furniture, fixtures and equipment	10%	-	50%
Transportation equipment and motor vehicles	$6^1/_4$%	-	50%

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

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

2.4 Plantations

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

2.5 Investment Properties

Investment properties are properties, including those held under operating leases, held for long-term rental yields. Investment properties are stated at fair value, determined annually by independent, professionally qualified valuers based on the open market value. Changes in fair values are recorded in the profit and loss account.

2 Significant Accounting Policies (continued)

2.6 Intangible Assets

i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary, associate or joint venture at the date of acquisition. Non-controlling interests are measured at their proportionate share of the net identifiable assets at the acquisition date. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the profit and loss account. Goodwill on acquisition of associates and joint ventures is included in interests in associates and joint ventures while goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of subsidiaries is tested annually for impairment and carried at cost less accumulated impairment loss.

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

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing.

ii) Franchise rights

Franchise rights, which are rights under franchise agreements, are separately identified intangible assets acquired as part of a business combination. These franchise agreements are expected to continue for an indefinite period and, where these agreements do not have indefinite terms, it is believed that renewal of these agreements can be obtained without significant costs, taking into account the history of renewal and the relationships between the franchisee and contracting parties. Franchise rights are not amortised, but are tested annually for impairment and carried at cost less accumulated impairment loss.

iii) Concession rights

Concession rights are operating rights for toll roads under service concession agreements. The cost of the service concession agreements is amortised using the straight line method over the service concession period of 39 years.

iv) Customer acquisition costs

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

v) Deferred exploration costs

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

vi) Computer software

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

2.7 Leasehold Land Use Rights

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

2 Significant Accounting Policies (continued)

2.8 Impairment of Non-financial Assets

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

2.9 Financial Assets

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

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

i) Loans and receivables

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

ii) Available-for-sale financial assets

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

iii) Held-to-maturity financial assets

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

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

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

2 Significant Accounting Policies (continued)

2.10 Investments in Subsidiaries, Associates and Joint Ventures

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

2.11 Stocks

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

2.12 Debtors

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

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

2.13 Cash and Cash Equivalents

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

2.14 Borrowings

Borrowings are initially stated at fair value, net of transaction costs incurred and any difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings. In subsequent periods, borrowings are stated at amortised cost using the effective interest method. Borrowings are classified under non-current liabilities unless their maturities are within 12 months after the balance sheet date.

Borrowing costs that are not used in financing the acquisition or construction of qualifying assets, are recognised as an expense in the period in which they are incurred.

2 Significant Accounting Policies (continued)

2.15 Provisions

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

i) Warranty and goodwill expenses

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

ii) Guarantee servicing

The Group recognises the estimated liability for rendering after-sales service offered on sale of new vehicles. The provision is calculated based on the past history of servicing.

iii) Closure costs

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

2.16 Creditors

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

2.17 Employee Benefits

i) Pension obligations

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

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

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

ii) Share-based compensation

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

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

iii) Employee leave entitlements

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

2 Significant Accounting Policies (continued)

2.18 Foreign Currencies

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is the Singapore Dollar. The financial statements of the Group and the Company are presented in United States Dollars to serve the needs of the readers of the Group's and the Company's financial statements who are spread globally and reflects the international nature of the Group.

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

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

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

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

The exchange rates used for translating assets and liabilities at the balance sheet date are US$1=S$1.2996 (2010: US$1=S$1.2883), US$1=RM3.1744 (2010: US$1=RM3.0705), US$1=IDR9,068 (2010: US$1=IDR8,991) and US$1=VND21,033 (2010: US$1=VND19,499).

The exchange rates used for translating the results for the year are US$1=S$1.2546 (2010: US$1=S$1.3608), US$1=RM3.0554 (2010: US$1=RM3.2159), US$1=IDR8,773 (2010: US$1=IDR9,078) and US$1=VND20,689 (2010: US$1=VND19,183).

2 Significant Accounting Policies (continued)

2.19 Revenue Recognition

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

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

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

iii) 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.

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

2.20 Tax

Current tax is provided based on the tax payable on the income for the financial year that is chargeable to tax.

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

Deferred tax is made on the revaluation of certain non-current assets and, in relation to business acquisitions, on the difference between the fair values of the net assets acquired and their tax bases.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

2 Significant Accounting Policies (continued)

2.21 Leases

i) Finance leases - Group company is the lessee

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

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

ii) Operating leases - Group company is the lessee

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

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

iii) Operating leases - Group company is the lessor

Investment properties leased out under operating leases are stated at fair value and not depreciated. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

2.22 Non-current Assets held for Sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

2.23 Insurance Contracts

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

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

2.24 Financial Guarantee Contracts

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2011

2 Significant Accounting Policies (continued)

2.25 Non-trading Items

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

2.26 Derivative Financial Instruments

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

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

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

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that are highly effective, are recognised in other comprehensive income and accumulated in equity under the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account. Where the forecasted transaction or firm commitment results in the recognition of a non-financial asset or of a non-financial liability, the gains and losses previously deferred in equity are transferred from hedging reserve and included in the initial measurement of the cost of the asset or liability. Otherwise, amounts deferred in equity are transferred to the profit and loss account and classified as income or expense in the same period during which the hedged firm commitment or forecasted transaction affects the profit and loss account.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in hedging reserve at that time remains in equity and is recognised when the committed or forecasted transaction ultimately is recognised in the profit and loss account. When a committed or forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserve is immediately transferred to the profit and loss account.

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

2.27 Segment Reporting

Reportable segments provide products or services that are subject to risks and returns that are different from those of other business segments.

2.28 Dividends

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

2 Significant Accounting Policies (continued)

2.29 Share Capital

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

2.30 Financial Risk Management

i) Financial risk factors

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

The Company co-ordinates, under the directions of the directors, financial risk management policies and their implementation on a group-wide basis. The Group's treasury policies are designed to manage the financial impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. The Group uses derivative financial instruments, principally interest rate swaps, caps and collars, cross-currency swaps, forward foreign exchange contracts and forward currency options as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies. It is the Group's policy not to enter into derivative transactions for speculative purposes. The notional amounts and fair values of derivative financial instruments at 31st December 2011 are disclosed in Note 33.

a) Market risk

Foreign exchange risk

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

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

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. At 31st December 2011, the Group's Indonesian Rupiah functional currency entities had United States Dollar denominated net monetary assets of US$426.2 million (2010: liabilities of US$155.9 million). At 31st December 2011, if the United States Dollar had strengthened/weakened by 10% against the Indonesian Rupiah with all other variables held constant, the profit attributable to shareholders of the Company would have been US$11.2 million higher/lower (2010: US$1.9 million lower/higher), arising mainly from foreign exchange gains/losses taken to the profit and loss account on translation. The sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date. The stated change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. There are no other significant monetary balances held by Group entities at 31st December 2011 that are denominated in a non-functional currency. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

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

2 Significant Accounting Policies (continued)

2.30 Financial Risk Management (continued)

i) Financial risk factors (continued)

a) Market risk (continued)

Interest rate risk

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

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

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

At 31st December 2011, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's profit after tax would have been US$7.6 million (2010: US$3.2 million) higher/lower and the hedging reserve would have been US$28.9 million (2010: US$12.8 million) higher/lower as a result of fair value changes to cash flow hedges. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. There is no significant variation in the sensitivity analysis as a result of interest rate caps and collars. The 100 basis point increase or decrease represents management's assessment of a reasonable possible change in those interest rates, specifically the Indonesian rates, which have the most impact on the Group over the period until the next annual balance sheet date. In the case of effective fair value hedges, changes in fair value of the hedged items caused by interest rate movements balance out in the profit and loss account against changes in the fair value of the hedging instruments. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of profit after tax sensitivities. Changes in market interest rates of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserves and are therefore taken into consideration in the equity-related sensitivity calculations.

2 Significant Accounting Policies (continued)

2.30 Financial Risk Management (continued)

i) Financial risk factors (continued)

a) Market risk (continued)

Price risk

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

Available-for-sale investments are unhedged. At 31st December 2011, if the price of quoted and unquoted available-for-sale investments had been 30% higher/lower with all other variables held constant, total equity would have been US$173.2 million (2010: US$115.4 million) higher/lower. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

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

b) Credit risk

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

The Group manages its deposits with banks and financial institutions and transactions involving derivative financial instruments by monitoring credit ratings and limiting the aggregate risk to any individual counterparty. The utilisation of credit limits is regularly monitored. At 31st December 2011, deposits with banks and financial institutions amounted to US$1,502.0 million (2010: US$838.9 million) of which 12% (2010: 19%) were made to financial institutions with credit ratings of no less than A– (Fitch). This is because in Indonesia, it may be necessary to deposit money with banks that have a lower credit rating. Additionally, transactions involving derivative financial instruments are made with counterparties which have credit ratings of at least investment grade. Management does not expect any counterparty to fail to meet its obligations.

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

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

2 Significant Accounting Policies (continued)

2.30 Financial Risk Management (continued)

i) Financial risk factors (continued)

c) Liquidity risk

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

At 31st December 2011, total available committed and uncommitted borrowing facilities amounted to US$7,909.1 million (2010: US$4,986.3 million) of which US$5,065.3 million (2010: US$3,547.8 million) was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities, totaled US$1,551.4 million (2010: US$852.4 million).

An ageing analysis of the Group's financial liabilities based on the remaining period at the balance sheet date to the contractual maturity dates is included in Notes 22, 24 and 33.

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

	Within one year US$m	Between one and two years US$m	Between two and three years US$m	Between three and four years US$m	Between four and five years US$m	Beyond five years US$m	Total US$m
2011							
Borrowings	**2,523.5**	**1,372.4**	**1,157.1**	**357.5**	**85.3**	**0.6**	**5,496.4**
Finance lease liabilities	**49.6**	**33.8**	**14.9**	**10.2**	**2.5**	**-**	**111.0**
Creditors	**2,817.1**	**0.6**	**0.6**	**0.6**	**0.6**	**2.3**	**2,821.8**
Net settled derivative financial instruments	**1.9**	**1.6**	**0.1**	**-**	**-**	**-**	**3.6**
2010							
Borrowings	2,180.7	560.7	928.7	166.2	35.1	-	3,871.4
Finance lease liabilities	38.8	31.6	15.9	0.5	-	-	86.8
Creditors	1,934.2	1.8	0.6	0.6	0.6	1.3	1,939.1
Net settled derivative financial instruments	3.2	0.5	1.1	-	-	-	4.8

2 Significant Accounting Policies (continued)

2.30 Financial Risk Management (continued)

ii) Capital management

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

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

The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less bank balances and other liquid funds. Interest cover is calculated as underlying business performance divided by net financing charges. The relevant ratios are monitored both inclusive and exclusive of the Group's financial services companies, which by their nature are generally more leveraged than the Group's other businesses. The Group does not have a defined gearing or interest cover benchmark or range.

The gearing ratios at 31st December 2011 and 2010 were as follows:

	Group	
	2011	2010
Gearing ratio excluding financial services companies	**1%**	4%
Gearing ratio including financial services companies	**36%**	34%
Interest cover excluding financial services companies	**178 times**	317 times

The decrease in gearing ratio excluding financial services companies as at 31st December 2011 as compared to 2010 is primarily due to the strong operating cash flows and the net proceeds from the United Tractors' rights issue.

2 Significant Accounting Policies (continued)

2.30 Financial Risk Management (continued)

iii) Fair value estimation

a) Financial instruments that are measured at fair value

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

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

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

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

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

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

The fair value of unquoted securities, which are classified as available-for-sale, is determined using valuation techniques by reference to observable current market transactions or the market prices of the underlying investments with certain degree of entity-specific estimates.

b) Financial instruments that are not measured at fair value

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

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

2 Significant Accounting Policies (continued)

2.31 Critical Accounting Estimates and Judgements

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

i) Acquisition of subsidiaries, associates and joint ventures

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

ii) Property, plant and equipment

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

iii) Plantations

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

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

iv) Impairment of assets

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

The results of the impairment review undertaken at 31st December 2011 on the Group's indefinite life franchise rights indicated that no impairment charge was necessary. If there is a significant increase in the discount rate and/or a significant adverse change to the projected performance of the business to which these rights attach, it may be necessary to take an impairment charge to profit and loss in the future.

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

2 Significant Accounting Policies (continued)

2.31 Critical Accounting Estimates and Judgements (continued)

v) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes, particularly in Indonesia. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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

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

vi) Pension obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the expected long-term rate of return on the relevant plan assets and the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The expected return on plan assets assumptions is determined on a uniform basis, taking into consideration long-term historical returns, asset allocation and future estimates of long-term investment returns.

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

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

vii) Non-trading items

The Group uses underlying business performance in its internal financial reporting to distinguish between the underlying profits and non-trading items. The identification of non-trading items requires judgement by management.

3 Revenue

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Sale of goods	**15,457.2**	12,153.6	**-**	-
Rendering of services	**3,572.0**	2,608.0	**1.2**	1.0
Financial services	**1,023.0**	884.8	**-**	-
Rental income	**-**	1.5	**-**	-
Dividends	**-**	-	**450.9**	317.3
Others	**31.3**	32.3	**-**	-
	20,083.5	15,680.2	**452.1**	318.3

4 **Net Operating Costs**

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Cost of sales	**(16,254.6)**	(12,578.1)	**-**	-
Other operating income	**299.0**	644.8	**24.1**	2.5
Selling and distribution expenses	**(837.1)**	(754.7)	**-**	-
Administrative expenses	**(923.1)**	(707.3)	**(16.8)**	(14.2)
Other operating expenses	**(14.4)**	(35.9)	**-**	-
	(17,730.2)	(13,431.2)	**7.3**	(11.7)
The following credits/(charges) are included in net operating costs:				
Depreciation of property, plant and equipment (Note 12)	**(579.3)**	(469.0)	**(0.2)**	(0.2)
Amortisation of:				
- intangible assets (Note 10)	**(38.9)**	(29.9)	**-**	-
- leasehold land use rights (Note 11)	**(21.5)**	(18.5)	**-**	-
Profit/(loss) on disposal of:				
- intangible assets	**(0.1)**	(0.4)	**-**	-
- leasehold land use rights	**-**	0.9	**-**	-
- property, plant and equipment	**8.3**	2.8	**-**	0.1
- investment properties	**1.5**	-	**-**	-
- plantations	**(4.5)**	(3.7)	**-**	-
- shares in subsidiaries (Note 36)	**-**	13.9	**21.2**	-
- shares in associates	**0.3**	-	**-**	-
- investments	**21.8**	13.0	**-**	-
Loss on disposal/write-down of repossessed assets	**(81.0)**	(63.2)	**-**	-
(Impairment)/write-back in impairment of:				
- intangible assets (Note 10)	**-**	(1.1)	**-**	-
- property, plant and equipment (Note 12)	**-**	(0.2)	**-**	-
- financing debtors (Note 18)	**(116.7)**	(102.2)	**-**	-
- trade debtors (Note 20)	**(1.9)**	(2.8)	**-**	-
- other debtors (Note 20)	**1.8**	(0.5)	**-**	-
- interests in subsidiaries	**-**	-	**-**	0.9
Fair value gain/(loss) on:				
- plantations (Note 14)	**37.5**	421.5	**-**	-
- investment properties (Note 13)	**1.1**	0.1	**-**	-
- derivatives not qualifying as hedges	**0.3**	(6.7)	**-**	-
Stocks:				
- cost of stocks recognised as an expense (included in cost of sales)	**(12,674.3)**	(10,804.9)	**-**	-
- write-down of stocks	**(19.0)**	(15.7)	**-**	-
- reversal of write-down of stocks made in previous years	**6.8**	6.5	**-**	-
Provision for:				
- warranty and goodwill expenses (Note 23)	**(6.0)**	(3.5)	**-**	-
- others (Note 23)	**(20.6)**	(21.4)	**-**	-
Operating expenses arising from investment properties	**(0.6)**	(0.6)	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2011

4 **Net Operating Costs (Continued)**

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Auditors' remuneration for:				
- audit services	**(6.1)**	(5.7)	**(1.0)**	(0.9)
- non-audit services	**(1.4)**	(0.9)	**-**	-
Net exchange gain/(loss)	**15.4**	(1.2)	**0.4**	(0.1)
Rental expenses – operating leases	**(74.3)**	(53.1)	**(0.8)**	(0.7)
Rental income from:				
- investment properties	**0.4**	0.4	**-**	-
- other properties	**5.3**	3.0	**-**	-
Dividend income from investments	**15.5**	10.6	**2.1**	1.3
Interest income from investments	**17.9**	20.5	**-**	-

5 **Employee Benefits**

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Salaries and benefits in kind	**1,061.3**	831.6	**6.0**	5.4
Pension costs - defined contribution plans	**7.7**	6.4	**0.1**	0.1
Pension costs - defined benefit plans	**31.6**	31.7	**-**	-
Termination benefits	**3.4**	5.4	**-**	-
	1,104.0	875.1	**6.1**	5.5

6 **Net Financing Income/(Charges)**

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Interest expense on:				
- bank borrowings	**(59.5)**	(35.9)	**(0.4)**	(0.4)
- other borrowings	**(15.9)**	(12.3)	**-**	-
	(75.4)	(48.2)	**(0.4)**	(0.4)
Other finance costs	**(8.3)**	(7.2)	**(1.1)**	(0.7)
Financing charges	**(83.7)**	(55.4)	**(1.5)**	(1.1)
Financing income	**82.1**	55.9	**-**	-
	(1.6)	0.5	**(1.5)**	(1.1)

7 Tax

Tax expense attributable to profit is made up of:

	Group		Company	
	2011 US$m	2010 US$m	2011 US$m	2010 US$m
Current tax:				
- Singapore	9.9	7.4	-	-
- Foreign	626.2	498.7	40.9	29.3
	636.1	506.1	40.9	29.3
Deferred tax (Note 25)	(53.9)	75.2	(0.1)	-
	582.2	581.3	40.8	29.3
Adjustments in respect of prior years	1.0	1.9	-	-
	583.2	583.2	40.8	29.3

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

	Group		Company	
	2011 US$m	2010 US$m	2011 US$m	2010 US$m
Profit before tax	3,026.1	2,827.4	457.9	305.5
Less: Share of associates' and joint ventures' results after tax	(674.4)	(577.9)	-	-
	2,351.7	2,249.5	457.9	305.5
Tax calculated at domestic tax rates applicable to profits in the respective countries	519.8	519.1	50.0	32.1
Income not subject to tax	(8.4)	(13.5)	(12.1)	(5.4)
Expenses not deductible for tax purposes	43.2	37.8	3.0	2.6
Utilisation of previously unrecognised:				
- tax losses	(5.9)	-	-	-
- temporary differences	-	(0.2)	-	-
Deferred tax assets written off	-	1.4	-	-
Deferred tax liabilities written back	(11.8)	-	-	-
Tax losses arising in the year not recognised	6.6	7.7	-	-
Temporary differences arising in the year not recognised	-	0.5	-	-
Recognition of previously unrecognised temporary differences	(1.8)	0.1	-	-
Withholding tax	40.4	28.7	-	-
Adjustments in respect of prior years	1.0	1.9	-	-
Others	0.1	(0.3)	(0.1)	-
	583.2	583.2	40.8	29.3

The effective tax rates for the Group and Company were 25% (2010: 26%) and 9% (2010: 10%), respectively.

7 Tax (continued)

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

	Group		Company	
	2011 US$m	2010 US$m	2011 US$m	2010 US$m
Revaluation of available-for-sale investments	0.2	(0.6)	-	-
Cash flow hedges	0.5	(2.9)	-	-
Defined benefit pension plans	1.6	(4.6)	-	-
	2.3	(8.1)	-	-

8 Dividends

At the Annual General Meeting on 25th April 2012, a final one-tier tax exempt dividend in respect of 2011 of US¢105 per share amounting to a dividend of approximately US$373.5 million is to be proposed. These financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31st December 2012. The dividends paid in 2011 and 2010 were as follows:

	Group and Company	
	2011 US$m	2010 US$m
Final one-tier tax exempt dividend in respect of previous year of US¢82.00 per share (2010: in respect of 2009 of US¢47.00)	287.5	171.5
Interim one-tier tax exempt dividend in respect of current year of US¢18.00 per share (2010: US¢16.00)	64.4	56.5
	351.9	228.0

9 Earnings Per Share

	Group	
	2011 US$m	2010 US$m
Basic earnings per share		
Profit attributable to shareholders	1,030.4	944.3
Weighted average number of ordinary shares in issue (millions)	355.7	355.7
Basic earnings per share	US¢289.68	US¢265.48
Diluted earnings per share		
Profit attributable to shareholders	1,030.4	944.3
Weighted average number of ordinary shares in issue (millions)	355.7	355.7
Adjustment for assumed conversion of share options (millions)	-*	-*
Weighted average number of ordinary shares for diluted earnings per share (millions)	355.7	355.7
Diluted earnings per share	US¢289.68	US¢265.48
Underlying earnings per share		
Underlying profit attributable to shareholders	1,019.0	812.2
Basic underlying earnings per share	US¢286.48	US¢228.34
Diluted underlying earnings per share	US¢286.48	US¢228.34

* Less than 0.1 million

9 Earnings Per Share (continued)

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

	Group	
	2011 US$m	2010 US$m
Profit attributable to shareholders	**1,030.4**	944.3
Less: Non-trading items (net of tax and non-controlling interests)		
Fair value changes of:		
- plantations	**10.9**	123.4
- investment properties	**0.5**	-
Profit on disposal/acquisition of subsidiaries and associates	**-**	8.7
	11.4	132.1
Underlying profit attributable to shareholders	**1,019.0**	812.2

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

	2011 US$m	2010 US$m
Astra		
Automotive	**470.8**	398.3
Financial services	**186.6**	150.2
Heavy equipment and mining	**203.8**	128.7
Agribusiness	**109.5**	96.2
Infrastructure and logistics	**34.4**	19.7
Information technology	**6.1**	5.0
	1,011.2	798.1
Other motor interests		
Singapore	**32.6**	28.1
Malaysia	**5.1**	5.1
Indonesia (Tunas Ridean)	**15.8**	13.6
Vietnam	**8.3**	9.4
	61.8	56.2
Corporate costs and withholding tax		
Corporate costs	**(13.6)**	(13.4)
Withholding tax on dividends from Indonesia	**(40.4)**	(28.7)
	(54.0)	(42.1)
Underlying profit attributable to shareholders	**1,019.0**	812.2

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10 Intangible Assets

	Goodwill US$m	Franchise rights US$m	Concession rights US$m	Customer acquisition costs US$m	Deferred exploration costs US$m	Computer software & others US$m	Total US$m
Group							
2011							
Balance at 1st January	**242.0**	**235.0**	**158.8**	**40.4**	**11.3**	**6.1**	**693.6**
Translation adjustments	**(2.2)**	**(2.0)**	**(7.3)**	**(0.7)**	**(0.5)**	**(0.4)**	**(13.1)**
Additions	**1.5**	**-**	**50.4**	**41.6**	**3.9**	**12.4**	**109.8**
Additions arising from acquisition of subsidiaries (Note 36)	**-**	**1.8**	**138.1**	**-**	**11.3**	**-**	**151.2**
Disposals	**-**	**-**	**(0.1)**	**-**	**-**	**-**	**(0.1)**
Amortisation (Note 4)	**-**	**-**	**(4.1)**	**(30.9)**	**(0.6)**	**(3.3)**	**(38.9)**
Balance at 31st December	**241.3**	**234.8**	**335.8**	**50.4**	**25.4**	**14.8**	**902.5**
Cost	**244.7**	**234.8**	**348.9**	**134.4**	**26.3**	**22.6**	**1,011.7**
Amortisation and impairment	**(3.4)**	**-**	**(13.1)**	**(84.0)**	**(0.9)**	**(7.8)**	**(109.2)**
	241.3	**234.8**	**335.8**	**50.4**	**25.4**	**14.8**	**902.5**
2010							
Balance at 1st January	232.9	224.8	135.2	29.0	9.5	3.3	634.7
Translation adjustments	10.5	10.2	6.3	1.4	0.5	0.2	29.1
Additions	-	-	22.0	33.5	1.7	4.3	61.5
Disposals	-	-	(0.4)	-	-	-	(0.4)
Subsidiaries disposed of (Note 36)	(0.3)	-	-	-	-	-	(0.3)
Impairment (Note 4)	(1.1)	-	-	-	-	-	(1.1)
Amortisation (Note 4)	-	-	(4.3)	(23.5)	(0.4)	(1.7)	(29.9)
Balance at 31st December	242.0	235.0	158.8	40.4	11.3	6.1	693.6
Cost	245.4	235.0	168.1	94.9	11.7	10.7	765.8
Amortisation and impairment	(3.4)	-	(9.3)	(54.5)	(0.4)	(4.6)	(72.2)
	242.0	235.0	158.8	40.4	11.3	6.1	693.6

Goodwill relating to Astra has been allocated to the operating segment of Astra. Accordingly, for the purpose of impairment review, the carrying value of Astra is compared with the recoverable amount measured by reference to the quoted market price of the shares held. On the basis of this review and the continued expected level of profitability, management concluded that no impairment has occurred.

10 Intangible Assets (continued)

The carrying amounts of franchise rights comprise automotive of US$84.2 million (2010: US$84.9 million) and heavy equipment of US$148.9 million (2010: US$150.1 million). Management has performed an impairment review of the carrying amounts of franchise rights at 31st December 2011 and concluded that no impairment has occurred. The impairment review of franchise rights was made by comparing the carrying amounts of the cash-generating units in which the franchise rights reside with the recoverable amounts of the cash-generating units. The recoverable amounts of the cash-generating units are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimates stated below:

	2011	2010
Growth rates	3% - 4%	3% - 4%
Pre-tax discount rates	17% - 18%	18% - 20%

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

The remaining amortisation lives for intangible assets are as follows:

Concession rights	36 years
Customer acquisition costs	1 to 4 years
Computer software and others	1 to 12 years
Deferred exploration costs	2.2 million tonnes (based on unit of production method)

11 Leasehold Land Use Rights

	Group	
	2011 US$m	2010 US$m
Net book value at 1st January	448.0	414.4
Translation adjustments	(5.8)	19.8
Additions	81.6	48.5
Additions arising from acquisition of subsidiaries (Note 36)	0.6	-
Disposals	-	(1.1)
Subsidiaries disposed of (Note 36)	-	(15.1)
Transfers to investment properties (Note 13)	(30.8)	-
Amortisation (Note 4)	(21.5)	(18.5)
Surplus on revaluation before transfer to investment properties	27.2	-
Net book value at 31st December	499.3	448.0
Cost	613.7	543.0
Amortisation and impairment	(114.4)	(95.0)
	499.3	448.0

Leasehold land use rights at 31st December 2011 with a net book value of US$7.8 million (2010: Nil) have been pledged as security for borrowings (Note 24).

The remaining amortisation periods for leasehold land use rights are 1 to 88 years.

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12 Property, Plant and Equipment

	Freehold land US$m	Mining properties US$m	Buildings and leasehold improvements US$m	Plant & machinery US$m	Office furniture, fixtures & equipment US$m	Transportation equipment & motor vehicles US$m	Total US$m
Group							
2011							
Net book value at 1st January	36.1	247.3	555.1	1,202.8	71.0	408.8	2,521.1
Translation adjustments	(0.5)	(15.1)	(10.1)	(20.7)	(1.4)	(9.1)	(56.9)
Additions	-	21.7	214.7	700.3	60.0	311.2	1,307.9
Additions arising from acquisition of subsidiaries (Note 36)	0.4	400.2	2.9	2.8	0.6	0.1	407.0
Transfer to investment properties (Note 13)	-	-	(6.3)	-	-	-	(6.3)
Transfer to stocks	-	-	-	(16.9)	(0.5)	(31.1)	(48.5)
Disposals	-	-	(0.7)	(0.6)	(0.3)	(4.5)	(6.1)
Depreciation (Note 4)	-	(22.6)	(56.1)	(366.2)	(36.0)	(98.4)	(579.3)
Surplus on revaluation before transfer to investment properties	-	-	4.5	-	-	-	4.5
Net book value at 31st December	36.0	631.5	704.0	1,501.5	93.4	577.0	3,543.4
Cost	36.0	704.9	966.9	2,647.2	234.6	723.2	5,312.8
Accumulated depreciation	-	(73.4)	(262.9)	(1,145.7)	(141.2)	(146.2)	(1,769.4)
	36.0	631.5	704.0	1,501.5	93.4	577.0	3,543.4
2010							
Net book value at 1st January	6.7	236.9	453.0	1,000.8	66.8	261.8	2,026.0
Translation adjustments	2.3	10.8	23.6	47.4	3.2	13.5	100.8
Additions	27.1	15.2	135.1	459.7	32.8	243.8	913.7
Transfer to investment properties (Note 13)	-	-	(0.7)	-	-	-	(0.7)
Transfer to stocks	-	-	-	-	(0.5)	(27.2)	(27.7)
Disposals	-	(0.1)	(1.5)	(0.7)	(1.9)	(5.4)	(9.6)
Subsidiaries disposed of (Note 36)	-	-	(7.0)	(2.8)	(0.2)	(2.2)	(12.2)
Depreciation (Note 4)	-	(15.5)	(47.4)	(301.4)	(29.2)	(75.5)	(469.0)
Impairment (Note 4)	-	-	-	(0.2)	-	-	(0.2)
Net book value at 31st December	36.1	247.3	555.1	1,202.8	71.0	408.8	2,521.1
Cost	36.1	299.2	768.0	2,041.7	189.6	525.7	3,860.3
Accumulated depreciation	-	(51.9)	(212.9)	(838.9)	(118.6)	(116.9)	(1,339.2)
	36.1	247.3	555.1	1,202.8	71.0	408.8	2,521.1

12 Property, Plant and Equipment (continued)

Property, plant and equipment at 31st December 2011 with a net book value of US$197.4 million (2010: US$305.8 million) have been pledged as security for borrowings (Note 24).

Included in the additions are plant and machinery acquired under finance leases amounting to US$49.1 million (2010: US$58.0 million).

The carrying amount of plant and machinery held under finance leases at 31st December 2011 amounted to US$106.6 million (2010: US$88.7 million).

	Freehold land US$m	Leasehold improvements US$m	Office furniture, fixtures & equipment US$m	Motor vehicles US$m	Total US$m
Company					
2011					
Net book value at 1st January	**28.6**	**-**	**-**	**0.7**	**29.3**
Translation adjustments	**(0.2)**	**-**	**-**	**-**	**(0.2)**
Additions	**-**	**0.5**	**-**	**0.2**	**0.7**
Disposals	**-**	**-**	**-**	**(0.1)**	**(0.1)**
Depreciation (Note 4)	**-**	**-**	**-**	**(0.2)**	**(0.2)**
Net book value at 31st December	**28.4**	**0.5**	**-**	**0.6**	**29.5**
Cost	**28.4**	**1.0**	**0.6**	**1.0**	**31.0**
Accumulated depreciation	**-**	**(0.5)**	**(0.6)**	**(0.4)**	**(1.5)**
	28.4	**0.5**	**-**	**0.6**	**29.5**
2010					
Net book value at 1st January	-	-	-	0.5	0.5
Translation adjustments	1.5	-	-	0.1	1.6
Additions	27.1	-	-	0.5	27.6
Disposals	-	-	-	(0.2)	(0.2)
Depreciation (Note 4)	-	-	-	(0.2)	(0.2)
Net book value at 31st December	28.6	-	-	0.7	29.3
Cost	28.6	0.5	0.6	1.0	30.7
Accumulated depreciation	-	(0.5)	(0.6)	(0.3)	(1.4)
	28.6	-	-	0.7	29.3

13 Investment Properties

	Group	
	2011 US$m	2010 US$m
At valuation:		
Leasehold land and buildings	**59.4**	25.0
Movements during the year are as follows:		
Balance at 1st January	**25.0**	23.1
Translation adjustments	**(1.3)**	1.1
Fair value gain (Note 4)	**1.1**	0.1
Disposals	**(2.5)**	-
Transfer from leasehold land use rights and property, plant and equipment (Notes 11 and 12)	**37.1**	0.7
Balance at 31st December	**59.4**	25.0

The valuations of the investment properties including undeveloped pieces of land were conducted by independent, professionally qualified valuers, based on the open market value.

14 Plantations

The Group's plantation assets are primarily for the production of palm oil.

	Group	
	2011 US$m	2010 US$m
Movements during the year are as follows:		
Balance at 1st January	**953.8**	425.4
Translation adjustments	**(11.9)**	24.3
Additions	**82.9**	93.9
Disposals	**(4.4)**	(11.3)
Fair value gain (Note 4)	**37.5**	421.5
Balance at 31st December	**1,057.9**	953.8
Immature plantations	**252.7**	261.0
Mature plantations	**805.2**	692.8
	1,057.9	953.8
Planted area (hectares):		
Immature plantations	**46,238**	58,276
Mature plantations	**160,849**	148,273
	207,087	206,549

14 Plantations (continued)

The plantations were valued internally at their fair values less point of sale costs using the discounted cash flow method. The major assumptions used in the valuation are:

	2011	2010
Crude palm oil price per tonne	**US$889**	US$745
Annual price inflation (for the first five years)	**11%***	10%*
Annual cost inflation (for the first five years)	**6%***	6%*
Post-tax discount rates	**14%**	14%

* 0% inflation thereafter

During the year, the Group harvested 3.6 million tonnes (2010: 3.3 million tonnes) of produce from the plantations with a fair value at the point of harvest less point of sale costs of US$638.4 million (2010: US$509.3 million).

15 Interests in Subsidiaries

	Company	
	2011 US$m	2010 US$m
At cost:		
- quoted equity securities (market value: 2011: US$16,616.4 million; 2010: US$12,392.6 million)	**1,323.2**	1,334.8
- unquoted equity securities	**44.0**	44.4
	1,367.2	1,379.2
Less: Impairment	**(5.9)**	(6.0)
	1,361.3	1,373.2

A list of principal subsidiaries is set out in Note 40.

16 Interests in Associates and Joint Ventures

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
At cost:				
- quoted equity securities (Group market value: 2011: US$765.0 million; 2010: US$958.4 million)	**460.1**	464.0	**44.0**	44.4
- unquoted equity securities	**420.4**	374.0	**146.1**	129.3
	880.5	838.0	**190.1**	173.7
Post-acquisition reserves	**1,528.1**	1,373.8	**-**	-
	2,408.6	2,211.8	**190.1**	173.7

The market value of quoted equity securities is based on their quoted prices, some of which may not be reflective of their fair values. In determining whether these investments are impaired, management has also considered recent arm's length transactions of a similar nature.

16 Interests in Associates and Joint Ventures (continued)

The Group's share of the assets, liabilities and results of associates and joint ventures are summarised below:

	2011 US$m	2010 US$m
Associates		
Total assets	**944.9**	671.8
Total liabilities	**(450.4)**	(317.6)
Attributable to non-controlling interests	**(1.4)**	(0.3)
Share of attributable net assets	**493.1**	353.9
Revenue	**2,078.1**	1,517.6
Net profit after tax and non-controlling interests	**130.7**	108.6
Capital commitments	**60.6**	32.2
Contingent liabilities	**-**	-
Joint ventures		
Non-current assets	**3,149.6**	1,603.5
Current assets	**4,684.4**	4,651.6
Current liabilities	**(5,163.0)**	(3,973.4)
Non-current liabilities	**(883.3)**	(545.4)
Attributable to non-controlling interests	**(0.3)**	(3.3)
Share of attributable net assets	**1,787.4**	1,733.0
Revenue	**6,576.5**	5,558.9
Net profit after tax and non-controlling interests	**543.7**	458.3
Capital commitments	**20.4**	21.0
Contingent liabilities	**98.8**	89.3

A list of the Group's principal associates and joint ventures is set out in Note 40.

In 2010, the share of results of associates and joint ventures amounting to US$577.9 million included an amount of US$11.0 million for the excess of net fair values of the identifiable assets, liabilities and contingent liabilities of a joint venture acquired over cost of business combinations.

17 Investments

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

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Available-for-sale				
- quoted investments	**545.4**	352.4	**-**	-
- unquoted investments	**47.7**	51.1	**6.7**	8.0
	593.1	403.5	**6.7**	8.0
Held-to-maturity – quoted investments	**6.7**	12.5	**-**	-
	599.8	416.0	**6.7**	8.0
Non-current	**595.3**	410.3	**6.7**	8.0
Current	**4.5**	5.7	**-**	-
	599.8	416.0	**6.7**	8.0
Analysis by geographical area of operation:				
Indonesia	**451.2**	384.2	**-**	-
Singapore	**6.7**	8.0	**6.7**	8.0
Others	**141.9**	23.8	**-**	-
	599.8	416.0	**6.7**	8.0
Movements during the year are as follows:				
Balance at 1st January	**416.0**	311.4	**8.0**	7.6
Translation adjustments	**(10.3)**	15.7	**-**	0.7
Fair value changes	**52.7**	35.5	**(1.3)**	(0.3)
Additions	**263.7**	163.3	**-**	-
Disposals	**(116.4)**	(55.6)	**-**	-
Capital repayment	**(5.9)**	(54.3)	**-**	-
Balance at 31st December	**599.8**	416.0	**6.7**	8.0

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

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Quoted prices in active markets	**545.4**	352.4	**-**	-
Other valuation techniques using unobservable inputs	**47.7**	51.1	**6.7**	8.0
	593.1	403.5	**6.7**	8.0

17 Investments (continued)

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

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Balance at 1st January	**51.1**	48.3	**8.0**	7.6
Translation adjustments	**(1.0)**	4.0	**-**	0.7
Fair value changes	**(2.4)**	(1.2)	**(1.3)**	(0.3)
Balance at 31st December	**47.7**	51.1	**6.7**	8.0

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

The fair value of the held-to-maturity quoted investments is US$6.8 million (2010: US$12.8 million).

18 Financing Debtors

	Group	
	2011 US$m	2010 US$m
Consumer financing debtors	**3,953.1**	2,970.5
Less: Allowance for impairment	**(206.1)**	(177.9)
	3,747.0	2,792.6
Financing leases		
- gross investment	**909.5**	629.8
- unearned finance income	**(112.4)**	(81.7)
- net investment	**797.1**	548.1
Less: Allowance for impairment	**(19.0)**	(14.6)
	778.1	533.5
	4,525.1	3,326.1
Non-current	**2,063.5**	1,557.2
Current	**2,461.6**	1,768.9
	4,525.1	3,326.1

18 **Financing Debtors (continued)**

The maturity analysis of consumer financing debtors, including related finance income, is as follows:

	2011 US$m	2010 US$m
Within one year	**2,887.3**	2,191.4
Between one and two years	**1,394.2**	1,032.4
Between two and five years	**748.8**	653.2
	5,030.3	3,877.0

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

	Gross investment		Net investment	
	2011 US$m	2010 US$m	2011 US$m	2010 US$m
Within one year	**505.9**	348.0	**427.6**	291.2
Between one and two years	**303.5**	205.1	**274.4**	183.9
Between two and five years	**99.4**	76.4	**94.4**	72.7
Beyond five years	**0.7**	0.3	**0.7**	0.3
	909.5	629.8	**797.1**	548.1

The consumer financing debtors relate primarily to Astra's motor vehicle and motorcycle financing. Before accepting any new customer, the Group assesses the potential customer's credit quality and sets credit limits by customer using internal scoring systems. These limits and scoring are reviewed periodically. The Group obtains collateral in the form of motor vehicles and motorcycles from consumer financing debtors who give the Group the right to sell the repossessed collateral or take any other action to settle the outstanding debt.

The loan period ranges from 12 to 48 months for motor vehicles and motorcycles. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are considered indicators that the debtor is impaired. An allowance for impairment is made based on the estimated irrecoverable amount by reference to past default experience. Assets are repossessed if monthly instalments are overdue for 30 days for motor vehicles and 60 days for motorcycles. Management has considered the balances against which collective impairment provision is made as impaired.

The fair value of the financing debtors is US$4,550.2 million (2010: US$3,413.4 million). The fair value of the non-current financing debtors are determined based on cash flows discounted using rates of 7% to 29% per annum (2010: 14% to 29% per annum).

Financing debtors are due within five years (2010: Five years) from the balance sheet date and the interest rates range from 14% to 22% per annum (2010: 15% to 23% per annum).

Financing debtors amounting to US$2,370.5 million at 31st December 2011 (2010: US$1,707.9 million) have been pledged as security for borrowings (Note 24).

18 **Financing Debtors (continued)**

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

	2011 US$m	2010 US$m
Balance at 1st January	**192.5**	145.7
Translation adjustments	**(2.8)**	7.0
Allowance made during the year (Note 4)	**116.7**	102.2
Utilised during the year	**(81.3)**	(62.4)
Balance at 31st December	**225.1**	192.5

19 **Stocks**

	Group	
	2011 US$m	2010 US$m
Finished goods	**1,174.9**	1,044.9
Work in progress	**37.9**	25.5
Raw materials	**73.2**	64.6
Spare parts	**71.3**	96.3
Others	**91.2**	79.1
	1,448.5	1,310.4

Stocks amounting to US$2.2 million at 31st December 2011 (2010: Nil) have been pledged as security for borrowings (Note 24).

20 Debtors

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Financing debtors (Note 18)	**4,525.1**	3,326.1	**-**	-
Trade debtors				
Amounts owing by third parties	**1,623.2**	1,071.0	**-**	-
Less: Allowance for impairment	**(14.3)**	(14.4)	**-**	-
	1,608.9	1,056.6	**-**	-
Amounts owing by associates and joint ventures	**57.4**	45.9	**1.9**	-
	1,666.3	1,102.5	**1.9**	-
Other debtors				
Reinsurers' share of estimated losses (Note 34)	**66.5**	40.7	**-**	-
Repossessed assets	**12.3**	16.7	**-**	-
Sundry debtors	**68.1**	47.8	**0.1**	0.1
Less: Allowance for impairment	**(0.4)**	(3.0)	**-**	-
	67.7	44.8	**0.1**	0.1
Restricted bank balances and deposits (Note 21)	**10.1**	9.8	**-**	-
Loans to employees	**37.7**	31.2	**0.2**	0.1
Deposits	**93.4**	39.3	**0.1**	0.1
Prepayments	**227.9**	182.0	**0.4**	0.2
Interest receivable	**1.5**	1.0	**-**	-
Cross-currency swap contracts (Note 33)	**58.5**	6.6	**-**	-
Interest rate swap contracts (Note 33)	**0.1**	-	**-**	-
Forward foreign exchange contracts (Note 33)	**0.1**	-	**-**	-
	58.7	6.6	**-**	-
Amounts owing by associates and joint ventures	**70.9**	67.5	**-**	-
Less: Allowance for impairment	**-**	(1.9)	**-**	-
	70.9	65.6	**-**	-
Amounts owing by subsidiaries	**-**	-	**101.7**	22.5
Less: Allowance for impairment	**-**	-	**(22.1)**	(22.3)
	-	-	**79.6**	0.2
Others	**53.4**	42.4	**-**	-
	700.1	480.1	**80.4**	0.7
	6,891.5	4,908.7	**82.3**	0.7
Non-current	**2,300.4**	1,708.9	**-**	-
Current	**4,591.1**	3,199.8	**82.3**	0.7
	6,891.5	4,908.7	**82.3**	0.7
Analysis by geographical area of operation:				
Indonesia	**6,812.7**	4,843.1	**-**	-
Singapore	**62.6**	51.8	**82.3**	0.7
Malaysia	**16.2**	13.8	**-**	-
	6,891.5	4,908.7	**82.3**	0.7

20 Debtors (continued)

The average credit period on sale of goods and services varies among Group businesses, but is not more than 60 days. Before accepting any new customer, the Group assesses the potential customer's credit quality and sets credit limits by customer using internal credit scoring systems. These limits and scoring are reviewed periodically. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are considered indicators that the debtor is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience. The risk of debtors that are neither past due nor impaired as at 31st December 2011 becoming impaired is low as they have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

At 31st December 2011, trade and other debtors of the Group and the Company of US$14.7 million (2010: US$19.3 million) and US$22.1 million (2010: US$22.3 million), respectively, were impaired. The amount of the allowances for the Group and the Company was US$14.7 million (2010: US$19.3 million) and US$22.1 million (2010: US$22.3 million), respectively. The ageing analysis of these debtors is as follows:

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Below 30 days	**0.2**	4.6	**-**	-
Between 31 and 60 days	**-**	-	**-**	-
Between 61 and 90 days	**-**	-	**-**	-
Over 90 days	**14.5**	14.7	**22.1**	22.3
	14.7	19.3	**22.1**	22.3

At 31st December 2011, trade and other debtors of the Group of US$648.0 million (2010: US$349.5 million) were past due but not impaired. The ageing analysis of these debtors is as follows:

	Group	
	2011 US$m	2010 US$m
Below 30 days	**343.9**	164.1
Between 31 and 60 days	**190.5**	85.7
Between 61 and 90 days	**88.7**	54.3
Over 90 days	**24.9**	45.4
	648.0	349.5

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

	Group	
	2011 US$m	2010 US$m
Balance at 1st January	**14.4**	16.3
Translation adjustments	**(0.2)**	0.9
Allowance made during the year (Note 4)	**1.9**	2.8
Utilised during the year	**(1.8)**	(5.6)
Balance at 31st December	**14.3**	14.4

20 Debtors (continued)

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

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Balance at 1st January	**4.9**	4.3	**22.3**	20.5
Translation adjustments	**0.1**	0.2	**(0.2)**	1.8
Allowance/(write-back) made during the year (Note 4)	**(1.8)**	0.5	**-**	-
Utilised during the year	**(2.8)**	(0.1)	**-**	-
Balance at 31st December	**0.4**	4.9	**22.1**	22.3

The fair value of the non-current debtors are determined based on cash flows discounted using rates of 7% to 19% per annum (2010: 7% to 15% per annum). The fair value of the repossessed assets held amounted to US$12.3 million (2010: US$16.7 million).

Trade and other debtors of the Group amounting to US$4.4 million at 31st December 2011 (2010: US$0.9 million) have been pledged as collateral for bank borrowings and loans (Note 24).

The amounts owing by subsidiaries, associates and joint ventures are interest free except for amounts owing by associates and joint ventures amounting to US$58.9 million (2010: US$60.0 million) which bear weighted average interest rate of 8.0% (2010: 8.9%) per annum.

21 Bank Balances and Other Liquid Funds

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Bank and cash balances	**684.3**	450.6	**28.0**	6.9
Deposits with banks and financial institutions	**830.3**	397.2	**-**	-
	1,514.6	847.8	**28.0**	6.9
Less: Restricted bank balances and deposits (Note 20)	**(10.1)**	(9.8)	**-**	-
	1,504.5	838.0	**28.0**	6.9
Analysis by currency:				
Singapore Dollar	**43.8**	36.4	**27.1**	4.9
United States Dollar	**386.7**	165.6	**0.4**	1.6
Malaysian Ringgit	**12.2**	15.7	**0.1**	0.2
Japanese Yen	**7.4**	10.1	**-**	-
Indonesian Rupiah	**1,059.3**	613.3	**0.4**	0.2
Others	**5.2**	6.7	**-**	-
	1,514.6	847.8	**28.0**	6.9

The weighted average effective interest rate on interest bearing deposits at 31st December 2011 was 4.7% per annum (2010: 4.2% per annum).

22 Creditors

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Trade creditors				
Amounts owing to third parties	**1,457.0**	854.9	**-**	-
Amounts owing to associates and joint ventures	**306.5**	228.9	**-**	-
	1,763.5	1,083.8	**-**	-
Other creditors				
Insurance contracts – gross estimated losses (Note 34)	**121.2**	92.4	**-**	-
Accruals	**896.1**	737.6	**10.3**	10.3
Interest payable	**31.9**	20.5	**-**	-
Cross-currency swap contracts (Note 33)	**7.7**	11.7	**-**	-
Interest rate swap contracts (Note 33)	**2.1**	3.9	**-**	-
Forward foreign exchange contracts (Note 33)	**0.5**	0.8	**-**	-
	10.3	16.4	**-**	-
Amounts owing to associates and joint ventures	**9.1**	4.8	**-**	-
Amounts owing to subsidiaries	**-**	-	**78.3**	20.9
Financial liabilities	**2,832.1**	1,955.5	**88.6**	31.2
Net amount due to customers for contract work	**0.3**	-	**-**	-
Rental and other income received in advance	**150.2**	101.9	**-**	-
Deferred warranty income	**0.7**	0.7	**-**	-
Insurance contracts – unearned premiums (Note 34)	**301.8**	248.1	**-**	-
	3,285.1	2,306.2	**88.6**	31.2
Non-current	**199.5**	83.7	**-**	-
Current	**3,085.6**	2,222.5	**88.6**	31.2
	3,285.1	2,306.2	**88.6**	31.2
Analysis by geographical area of operation:				
Indonesia	**3,156.4**	2,173.2	**-**	-
Singapore	**90.4**	100.6	**88.6**	31.2
Malaysia	**38.3**	32.4	**-**	-
	3,285.1	2,306.2	**88.6**	31.2

The advances from subsidiaries, associates, joint ventures and related companies are unsecured, interest free and repayable on demand.

23 Provisions

	Warranty and Goodwill expenses US$m	Guarantee servicing US$m	Closure costs US$m	Statutory employee entitlements US$m	Others US$m	Total US$m
Group						
2011						
Balance at 1st January	**20.7**	**-**	**2.5**	**65.0**	**7.0**	**95.2**
Translation adjustments	**(0.3)**	**-**	**-**	**(1.1)**	**(0.1)**	**(1.5)**
Additions arising from acquisition of subsidiaries (Note 36)	**-**	**-**	**-**	**0.5**	**-**	**0.5**
Provision made during the year (Note 4)	**6.0**	**-**	**-**	**19.1**	**1.5**	**26.6**
Utilised during the year	**(3.3)**	**-**	**-**	**(2.8)**	**-**	**(6.1)**
Balance at 31st December	**23.1**	**-**	**2.5**	**80.7**	**8.4**	**114.7**
Non-current	**-**	**-**	**-**	**69.6**	**7.9**	**77.5**
Current	**23.1**	**-**	**2.5**	**11.1**	**0.5**	**37.2**
	23.1	**-**	**2.5**	**80.7**	**8.4**	**114.7**
2010						
Balance at 1st January	19.2	0.4	2.3	46.7	6.6	75.2
Translation adjustments	1.7	-	0.2	2.3	0.2	4.4
Disposals arising from disposal of subsidiaries (Note 36)	-	-	-	(0.1)	-	(0.1)
Provision made during the year (Note 4)	3.5	-	-	19.3	2.1	24.9
Utilised during the year	(3.7)	(0.4)	-	(3.2)	(1.9)	(9.2)
Balance at 31st December	20.7	-	2.5	65.0	7.0	95.2
Non-current	-	-	-	54.1	6.9	61.0
Current	20.7	-	2.5	10.9	0.1	34.2
	20.7	-	2.5	65.0	7.0	95.2

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2011

24 Borrowings

	Group	
	2011 US$m	2010 US$m
Current borrowings		
Bank loans	**610.6**	538.8
Bank overdrafts	**4.4**	-
Other loans	**5.1**	0.6
Current portion of long-term borrowings:		
- Bank loans	**1,258.0**	888.7
- Astra Sedaya Finance VIII Bonds	**-**	22.2
- Astra Sedaya Finance IX Bonds	**-**	36.2
- Astra Sedaya Finance X Bonds	**28.6**	14.8
- Astra Sedaya Finance XI Bonds	**57.8**	47.5
- Astra Sedaya Finance XII Bonds	**64.8**	-
- Federal International Finance VII Bonds	**-**	36.9
- Federal International Finance VIII Bonds	**-**	36.1
- Federal International Finance IX Bonds	**59.7**	10.3
- Federal International Finance X Bonds	**22.0**	33.3
- Federal International Finance XI Bonds	**68.4**	-
- Shogun Bonds FIF	**19.9**	-
- San Finance I Bonds	**11.4**	-
- Serasi Auto Raya II Bonds	**26.9**	-
- Medium Term Note ("MTN") Astra Sedaya Finance I Tahun 2009	**-**	74.5
- MTN Astra Sedaya Finance II Tahun 2009	**-**	51.1
- MTN Serasi Auto Raya I Tahun 2009	**-**	11.1
- MTN Serasi Auto Raya II Tahun 2010	**10.6**	4.4
- MTN Federal International Finance II Tahun 2009	**-**	55.6
- MTN Federal International Finance II Tahun 2010	**33.1**	-
- MTN Surya Artha Nusantara Finance I Tahun 2010	**33.1**	-
- Finance lease liabilities	**47.0**	36.1
- Others	**62.7**	99.7
	2,424.1	1,997.9

24 Borrowings (continued)

	Group 2011 US$m	Group 2010 US$m
Long-term borrowings		
Bank loans	**1,809.7**	1,062.1
Astra Sedaya Finance X Bonds	**-**	23.3
Astra Sedaya Finance XI Bonds	**49.0**	107.8
Astra Sedaya Finance XII Bonds	**160.6**	-
Federal International Finance IX Bonds	**-**	47.8
Federal International Finance X Bonds	**99.0**	122.0
Federal International Finance XI Bonds	**255.0**	-
Shogun Bonds FIF	**39.6**	-
San Finance I Bonds	**43.3**	-
Serasi Auto Raya II Bonds	**72.0**	-
MTN Serasi Auto Raya II Tahun 2010	**-**	6.7
MTN Federal International Finance III Tahun 2010	**-**	33.3
MTN Surya Artha Nusantara Finance I Tahun 2010	**-**	33.3
Finance lease liabilities	**59.6**	46.6
Others	**53.4**	67.0
	2,641.2	1,549.9
Total borrowings	**5,065.3**	3,547.8
Secured	**3,934.3**	2,853.7
Unsecured	**1,131.0**	694.1
	5,065.3	3,547.8

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at 31st December are as follows:

	Group 2011 US$m	Group 2010 US$m
Within one year	**2,424.1**	1,997.9
Between one and two years	**1,252.9**	933.2
Between two and three years	**1,074.2**	517.2
Between three and four years	**302.3**	94.4
Between four and five years	**11.3**	5.1
Beyond five years	**0.5**	-
	5,065.3	3,547.8

24 Borrowings (continued)

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

	Group 2011 US$m	Group 2010 US$m
Finance lease liabilities – minimum lease payments:		
- within one year	**49.5**	38.8
- between one and five years	**61.5**	48.0
	111.0	86.8
Future finance charges on finance leases	**(4.4)**	(4.1)
Present value of finance lease liabilities	**106.6**	82.7
The present value of finance lease liabilities is as follows:		
- within one year	**47.0**	36.1
- between one and five years	**59.6**	46.6
	106.6	82.7

After taking into account the economic effects of the derivative financial instruments, the interest rate exposure of the borrowings of the Group at the end of the year was as follows:

		Fixed rate borrowings		Floating rate borrowings	Total
	Weighted average interest rates %	Weighted average period outstanding Months	US$m	US$m	US$m
Currency:					
2011					
Singapore Dollar	**1.27**	**-**	**-**	**102.8**	**102.8**
United States Dollar	**2.96**	**19**	**429.9**	**320.4**	**750.3**
Japanese Yen	**1.37**	**31**	**2.0**	**5.1**	**7.1**
Indonesian Rupiah	**9.17**	**21**	**3,635.9**	**567.6**	**4,203.5**
Malaysian Ringgit	**3.45**	**-**	**-**	**1.6**	**1.6**
			4,067.8	**997.5**	**5,065.3**
2010					
Singapore Dollar	1.64	-	-	17.8	17.8
United States Dollar	3.16	19	329.6	460.1	789.7
Japanese Yen	0.79	-	-	6.3	6.3
Indonesian Rupiah	10.18	18	2,197.3	536.7	2,734.0
			2,526.9	1,020.9	3,547.8

The weighted average interest rates and period of fixed rate borrowings are stated after taking into account hedging transactions.

24 Borrowings (continued)

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

	Group	
	2011 US$m	2010 US$m
Bank loans	**1,831.9**	1,073.0
Bonds and others	**847.6**	489.1
	2,679.5	1,562.1

The fair values are based on market prices or are estimated using the expected future payments discounted at market interest rates ranging from 3.9% to 13% per annum (2010: 8.5% to 12.8% per annum).

At 31st December 2011, bank loans and bonds amounting to US$3,934.3 million (2010: US$2,853.7 million) have been collateralised by debtors, stocks, financing debtors, property, plant and equipment and leasehold land use rights.

	Interest rates	Nominal values	
	%	US$m	Rp billion
Astra Sedaya Finance ("ASF") Bonds			
ASF X Bonds	14.9%	28.7	260.0
ASF XI Bonds	9.0% - 10.9%	107.0	970.0
ASF XII Bonds	7.95% - 10.0%	226.1	2,050.0
		361.8	3,280.0

The ASF Bonds were issued by a wholly-owned subsidiary of Astra and are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 60% of the total outstanding principal of the bonds. ASF X Bonds will mature in 2012, ASF XI Bonds will mature from 2012 to 2014 and ASF XII Bonds will mature from 2012 to 2015.

	Interest rates	Nominal values	
	%	US$m	Rp billion
Federal International Finance ("FIF") Bonds and MTN			
FIF IX Bonds	14.6%	59.8	542.0
FIF X Bonds	8.75% - 10.55%	121.3	1,100.0
FIF XI Bonds	7.8% - 9.6%	324.2	2,940.0
MTN FIF III Tahun 2010	10.5%	33.1	300.0
		538.4	4,882.0

The FIF Bonds and MTN were issued by a wholly-owned subsidiary of Astra and are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 60% of the total outstanding principal of the bonds and MTN. The FIF IX Bonds will mature in 2012, FIF X Bonds and FIF XI Bonds will mature from 2012 to 2014 and MTN FIF III Tahun 2010 will mature in 2012.

The Shogun Bonds with nominal value of US$60 million which bear interest rates from 7.9% to 9.25% per annum were issued by a wholly-owned subsidiary of Astra and are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 60% of the total outstanding principal of the bonds. The bonds will mature from 2012 to 2014.

24 Borrowings (continued)

	Interest rates	Nominal values	
	%	US$m	Rp billion
Serasi Auto Raya Bonds and MTN			
Serasi Auto Raya II Bonds	7.9%	99.2	900.0
MTN Serasi Auto Raya II Tahun 2010	11.5%	10.6	96.2
		109.8	996.2

The Serasi Auto Raya Bonds and MTN were issued by a wholly-owned subsidiary of Astra. The bonds are unsecured, while the MTN are collateralised by fiduciary guarantee over transport equipment of the subsidiary amounting to 80% of the total outstanding principal of the MTN. The bonds will mature from 2012 to 2015 and the MTN will mature in 2012.

	Interest rates	Nominal values	
	%	US$m	Rp billion
SAN Finance Bonds and MTNs			
SAN Finance I Bonds	7.7% - 9.3%	55.1	500.0
The MTN Surya Artha Nusantara Finance I Tahun 2010	11.38%	33.1	300.0
		88.2	800.0

The SAN Finance Bonds and MTN were issued by a partly-owned subsidiary of Astra and are collateralised by fiduciary guarantee over net investment in finance leases of the subsidiary amounting to 60% of the total outstanding principal of the bonds and 100% of the total outstanding principal of the MTN. The bonds will mature from 2012 to 2014 and the MTN will mature in 2012.

25 Deferred Tax

	Accelerated tax depreciation US$m	Fair value (gains)/ losses US$m	Provisions US$m	Tax losses US$m	Others US$m	Total US$m
Group						
2011						
Balance at 1st January	**(8.7)**	**(358.7)**	**28.9**	**3.5**	**85.2**	**(249.8)**
Translation adjustments	**-**	**6.7**	**(0.3)**	**(0.1)**	**(2.6)**	**3.7**
Credited/(charged) to profit and loss account (Note 7)	**2.9**	**(13.0)**	**(1.3)**	**4.4**	**60.9**	**53.9**
Credited/(charged) to other comprehensive income (Note 7)	**-**	**0.8**	**-**	**-**	**1.5**	**2.3**
Additions arising from acquisition of subsidiaries (Note 36)	**0.1**	**(107.4)**	**-**	**-**	**0.2**	**(107.1)**
Balance at 31st December	**(5.7)**	**(471.6)**	**27.3**	**7.8**	**145.2**	**(297.0)**
2010						
Balance at 1st January	0.6	(233.1)	25.0	2.8	50.8	(153.9)
Translation adjustments	(0.1)	(11.7)	1.4	0.1	2.6	(7.7)
Credited/(charged) to profit and loss account (Note 7)	(9.2)	(105.8)	2.7	0.6	36.5	(75.2)
Charged to other comprehensive income (Note 7)	-	(3.5)	-	-	(4.6)	(8.1)
Disposals arising from disposal of subsidiaries (Note 36)	-	(4.6)	(0.2)	-	(0.1)	(4.9)
Other movements	-	-	-	-	-	-
Balance at 31st December	(8.7)	(358.7)	28.9	3.5	85.2	(249.8)

	Unremitted interest income	
	2011 US$m	2010 US$m
Company		
Balance at 1st January	**(0.4)**	(0.4)
Translation adjustments	**0.1**	-
Credited to profit and loss account (Note 7)	**0.1**	-
Balance at 31st December	**(0.2)**	(0.4)

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

25 Deferred Tax (continued)

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Deferred tax assets	**115.5**	80.2	**-**	-
Deferred tax liabilities	**(412.5)**	(330.0)	**(0.2)**	(0.4)
Balance at 31st December	**(297.0)**	(249.8)	**(0.2)**	(0.4)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group did not recognise deferred income tax assets of US$9.4 million (2010: US$9.6 million) in respect of tax losses of US$37.6 million in 2011 (2010: US$38.5 million) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. These tax losses have expiry dates as follows:

	Group	
	2011 US$m	2010 US$m
No expiry date	**2.0**	2.3
Expiring in one year	**0.5**	1.3
Expiring in two years	**1.1**	0.5
Expiring in three years	**4.4**	1.1
Expiring in four years	**10.1**	7.8
Expiring beyond four years	**19.5**	25.5
	37.6	38.5

Deferred tax liabilities of US$289.5 million (2010: US$227.9 million) on temporary differences associated with investments in subsidiaries of US$2,894.9 million (2010: US$2,278.8 million) have not been recognised as there is no current intention of remitting the retained earnings to the Company in the foreseeable future.

26 Pension Liabilities

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

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

	Group	
	2011 Weighted Average %	2010 Weighted Average %
Discount rate applied to pension obligations	**8**	9
Expected return on plan assets	**10**	10
Future salary increases	**8**	8

The expected return on plan assets is determined on the basis of long-term average returns on global equities of 10% per annum and global bonds of 10% per annum, and the long-term benchmark allocation of assets between equities and bonds in each plan.

26 Pension Liabilities (continued)

The amounts recognised in the balance sheet are as follows:

	Group	
	2011 US$m	2010 US$m
Fair value of plan assets	**105.6**	100.9
Present value of funded obligations	**(108.5)**	(96.2)
	(2.9)	4.7
Present value of unfunded obligations	**(150.1)**	(129.5)
Unrecognised past service cost	**16.6**	17.9
Net pension liabilities	**(136.4)**	(106.9)

Movements in the fair value of plan assets are as follows:

	Group	
	2011 US$m	2010 US$m
Balance at 1st January	**100.9**	81.9
Subsidiaries disposed of	**-**	(0.6)
Subsidiaries acquired	**0.6**	-
Translation adjustments	**(1.0)**	3.9
Expected return on plan assets	**10.1**	6.9
Actuarial gain/(loss)	**(2.0)**	16.5
Contributions from employers	**0.4**	3.2
Contributions from members	**1.2**	1.0
Benefits paid	**(5.7)**	(12.5)
Transfer from other plans	**1.1**	0.6
Balance at 31st December	**105.6**	100.9

Movements in the present value of obligations are as follows:

	Group	
	2011 US$m	2010 US$m
Balance at 1st January	**(225.7)**	(198.4)
Subsidiaries disposed of	**-**	1.3
Translation adjustment	**3.1**	(9.2)
Subsidiaries acquired	**(1.2)**	-
Current service cost	**(20.7)**	(21.2)
Interest cost	**(19.3)**	(19.7)
Contributions from members	**(1.2)**	(1.0)
Actuarial gain/(loss)	**(5.1)**	3.1
Benefits paid	**11.9**	19.4
Plan amendment	**(0.4)**	-
Balance at 31st December	**(258.6)**	(225.7)

26 Pension Liabilities (continued)

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

	Group	
	2011 US$m	2010 US$m
Equity instruments	**41.9**	41.2
Debt instruments	**52.2**	45.5
Other assets	**11.5**	14.2
	105.6	100.9

The amounts recognised in the profit and loss account are as follows:

	Group	
	2011 US$m	2010 US$m
Current service cost	**20.7**	21.2
Interest cost	**19.3**	19.7
Expected return on plan assets	**(10.1)**	(6.9)
Past service cost	**1.7**	(2.3)
	31.6	31.7
Actual surplus on plan assets in the year	**8.2**	23.4

The history of experience adjustments is as follows:

	Group				
	2011 US$m	2010 US$m	2009 US$m	2008 US$m	2007 US$m
Fair value of plan assets	**105.6**	100.9	81.9	44.1	63.6
Present value of obligations	**(258.6)**	(225.7)	(198.4)	(125.3)	(123.9)
Deficit	**(153.0)**	(124.8)	(116.5)	(81.2)	(60.3)
Experience adjustments on plan assets	**(1.9)**	16.7	23.3	(8.6)	5.5
Percentage of plan assets (%)	**(2%)**	17%	28%	(20%)	9%
Experience adjustments on plan obligations	**(4.9)**	15.7	(29.9)	6.3	4.4
Percentage of plan obligations (%)	**(2%)**	7%	(15%)	5%	4%

The estimated amount of contributions expected to be paid to the plans in 2012 is US$16.4 million.

27 Share Capital of the Company

	2011 US$m	2010 US$m
Issued and fully paid:		
Opening balance 355,679,660 (2010: 355,678,660) ordinary shares	**632.3**	632.3
Issue of 20,000 (2010: 1,000) ordinary shares under the CCL Executives' Shares Option Scheme	**-***	-*
Closing balance 355,699,660 (2010: 355,679,660) ordinary shares	**632.3**	632.3

* less than US$0.1 million

There is no par value for the ordinary shares. The Company did not hold any treasury shares as at 31st December 2011 (31st December 2010: Nil).

The CCL Executives' Share Option Scheme was set up in order to provide selected executives with options to purchase shares in the Company. Options are granted at the price which is equal to the average of the last dealt prices for the share for the three consecutive trading days immediately preceding the date of the grant of option and are exercisable one year from the date of grant and expire ten years after the date. No share options were granted to directors and employees during the financial years 2011 and 2010.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2011		2010	
	Average exercise price in S$ per share	No. of Options	Average exercise price in S$ per share	No. of Options
At 1st January	**1.664**	**33,000**	1.664	34,000
Exercised during the year	**1.664**	**(20,000)**	1.664	(1,000)
At 31st December	**1.664**	**13,000**	1.664	33,000
Exercisable at 31st December		**13,000**		33,000

The weighted average market price at the time of exercise was S$38.63 (2010: S$33.26) per share.

At the end of the financial year, the following options granted under the CCL Executives' Share Option Schemes were outstanding:

		No. of Options	
Adjusted Exercise Price	Expiry Date	2011	2010
S$1.664	27.2.2012	**13,000**	33,000

The fair values of share options granted at the date of grant were estimated using the Trinomial valuation model taking into account the share price at grant date, the exercise price, the risk-free interest rate, the expected dividend yield, volatility and life of the option.

28 Revenue Reserve

	Group		Company	
	2011 US$m	2010 US$m	2011 US$m	2010 US$m
Movements:				
Balance at 1st January	**2,604.0**	1,916.0	**540.3**	492.1
Defined benefit pension plan				
- actuarial gain/(loss)	**(3.7)**	9.5	**-**	-
- deferred tax	**0.8**	(2.2)	**-**	-
Share of associates' and joint ventures' actuarial gain/(loss) on defined benefit pension plans, net of tax	**(2.5)**	3.0	**-**	-
Profit attributable to shareholders	**1,030.4**	944.3	**417.1**	276.2
Dividends paid by the Company	**(351.9)**	(228.0)	**(351.9)**	(228.0)
Change in shareholding	**0.8**	(38.4)	**-**	-
Other	**(1.5)**	(0.2)	**-**	-
Balance at 31st December	**3,276.4**	2,604.0	**605.5**	540.3

The Group's revenue reserve includes actuarial loss on defined benefit pension plans of US$3.4 million (2010: gain of US$2.0 million).

29 Other Reserves

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Composition:				
Asset revaluation reserve	**333.7**	317.8	**-**	-
Translation reserve	**94.6**	157.6	**370.1**	385.9
Fair value reserve	**67.7**	28.8	**(0.7)**	0.6
Hedging reserve	**(1.7)**	(1.0)	**-**	-
Share option reserve	**0.3**	0.3	**0.3**	0.3
Other reserve	**3.3**	3.3	**-**	-
Balance at 31st December	**497.9**	506.8	**369.7**	386.8
Movements:				
Asset revaluation reserve				
Balance at 1st January	**317.8**	317.8	**-**	-
Surplus on revaluation of assets	**15.9**	-	**-**	-
Balance at 31st December	**333.7**	317.8	**-**	-
Translation reserve				
Balance at 1st January	**157.6**	29.6	**385.9**	259.6
Translation difference	**(63.0)**	128.0	**(15.8)**	126.3
Balance at 31st December	**94.6**	157.6	**370.1**	385.9
Fair value reserve				
Balance at 1st January	**28.8**	16.4	**0.6**	0.9
Available-for-sale investments				
- fair value changes	**47.9**	19.6	**(1.3)**	(0.3)
- deferred tax	**0.1**	(0.3)	**-**	-
- transfer to profit and loss	**(9.8)**	(6.4)	**-**	-
Share of associates' and joint ventures' fair value changes of available-for-sale investments, net of tax	**0.7**	(0.5)	**-**	-
Balance at 31st December	**67.7**	28.8	**(0.7)**	0.6
Hedging reserve				
Balance at 1st January	**(1.0)**	(4.8)	**-**	-
Cash flow hedges				
- fair value changes	**-**	4.4	**-**	-
- deferred tax	**-**	(1.0)	**-**	-
- transfer to profit and loss	**0.1**	(0.1)	**-**	-
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	**(0.8)**	0.5	**-**	-
Balance at 31st December	**(1.7)**	(1.0)	**-**	-
Share option reserve				
Balance at 1st January and 31st December	**0.3**	0.3	**0.3**	0.3
Other reserve				
Balance at 1st January and 31st December	**3.3**	3.3	**-**	-

30 Non-Controlling Interests

	Group	
	2011 US$m	2010 US$m
Balance at 1st January	**4,314.2**	3,405.9
Asset revaluation surplus	**15.8**	-
Available-for-sale investments		
- fair value changes	**4.8**	15.9
- deferred tax	**0.1**	(0.3)
- transfer to profit and loss	**(10.6)**	(6.8)
Share of associates' and joint ventures' fair value changes of available-for-sale investments, net of tax	**0.7**	(0.5)
Cash flow hedges		
- fair value changes	**(2.3)**	7.7
- deferred tax	**0.5**	(1.9)
- transfer to profit and loss	**0.1**	(0.1)
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	**(0.6)**	0.5
Defined benefit pension plans		
- actuarial gain/(loss)	**(3.4)**	10.1
- deferred tax	**0.8**	(2.4)
Share of associates' and joint ventures' actuarial gain/(loss) on defined benefit pension plans, net of tax	**(2.5)**	3.1
Translation difference	**(77.8)**	162.2
Profit for the year	**1,412.5**	1,299.9
Issue of shares	**309.3**	0.4
Dividends paid	**(537.1)**	(416.5)
Change in shareholding	**(2.4)**	(153.9)
Acquisition/(disposal) of subsidiaries	**140.5**	(8.9)
Other	**(3.7)**	(0.2)
Balance at 31st December	**5,558.9**	4,314.2

31 Related Party Transactions

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

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
(a) With associates and joint ventures:				
Purchase of goods and services	**(7,254.6)**	(6,016.3)	**-**	-
Sale of goods and services	**1,013.3**	669.1	**-**	-
Commission and incentives earned	**23.8**	19.4	**-**	-
Bank deposits and balances	**401.3**	221.3	**-**	-
Dividend income	**-**	-	**12.4**	7.4
Interest received	**26.7**	14.4	**-**	-
(b) With related companies and associates of ultimate holding company:				
Management fees paid	**(6.1)**	(4.0)	**(6.1)**	(4.0)
Secondment costs	**(3.6)**	(3.8)	**(3.6)**	(3.8)
Purchase of goods and services	**(0.9)**	(1.2)	**-**	-
Sale of goods and services	**1.2**	1.7	**-**	-
(c) Remuneration of directors of the Company and key management personnel of the Group:				
Salaries and other short-term employee benefits	**(8.2)**	(6.7)	**(5.4)**	(4.4)

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32 Commitments

(a) Capital commitments

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

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Approved and contracted	**230.5**	112.3	**0.4**	-
Approved, but not contracted	**941.4**	444.0	**4.6**	4.7
	1,171.9	556.3	**5.0**	4.7

(b) Operating lease commitments

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

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

	Group		Company	
	2011 US$m	2010 US$m	**2011 US$m**	2010 US$m
Lease rentals payable:				
- within one year	**6.6**	5.4	**0.4**	0.2
- between one and five years	**12.7**	8.1	**0.1**	0.2
- beyond five years	**21.7**	22.3	**-**	-
	41.0	35.8	**0.5**	0.4
Lease rentals receivable:				
- within one year	**106.0**	102.5	**-**	-
- between one and five years	**63.6**	89.6	**-**	-
- beyond five years	**2.0**	0.9	**-**	-
	171.6	193.0	**-**	-

33 Derivative Financial Instruments

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

	Group		Company	
	Assets US$m	Liabilities US$m	Assets US$m	Liabilities US$m
2011				
Designated as cash flow hedges				
- Cross-currency swap contracts	**58.5**	**7.7**	**-**	**-**
- Interest rate swap contracts	**0.1**	**2.1**	**-**	**-**
- Forward foreign exchange contacts	**0.1**	**0.2**	**-**	**-**
	58.7	**10.0**	**-**	**-**
Not qualifying as hedges				
- Forward foreign exchange contacts	**-**	**0.3**	**-**	**-**
2010				
Designated as cash flow hedges				
- Cross-currency swap contracts	6.6	11.3	-	-
- Interest rate swap contracts	-	3.8	-	-
	6.6	15.1	-	-
Not qualifying as hedges				
- Cross-currency swap contracts	-	0.4	-	-
- Interest rate swap contracts	-	0.1	-	-
- Forward foreign exchange contracts	-	0.8	-	-
	-	1.3	-	-

The remaining contractual maturities of derivative financial liabilities, based on their undiscounted cash outflows, are as follows:

	Within one year US$m	Between one and two years US$m	Between two and five years US$m
Group			
2011			
Net settled			
- Interest rate swap contracts	**1.9**	**1.6**	**0.1**
Gross settled			
- Cross-currency swap contracts	**640.3**	**667.4**	**450.2**
- Forward foreign exchange contracts	**41.3**	**-**	**-**
	683.5	**669.0**	**450.3**
2010			
Net settled			
- Interest rate swap contracts	3.2	0.5	1.1
Gross settled			
- Cross-currency swap contracts	266.5	212.1	130.4
- Forward foreign exchange contracts	90.1	-	-
	359.8	212.6	131.5

33 Derivative Financial Instruments (continued)

(a) Cross-currency swap contracts

The contract amounts of the outstanding cross-currency swap contracts at 31st December 2011 were US$1,562.8 million (2010: US$597.8 million).

(b) Forward foreign exchange contracts

The contract amounts of the outstanding forward foreign exchange contracts at 31st December 2011 were US$41.3 million (2010: US$90.1 million).

(c) Interest rate swap contracts

The notional principal amounts of the outstanding interest rate swap contracts at 31st December 2011 were US$396.9 million (2010: US$324.8 million). At 31st December 2011, the fixed interest rates range from 0.68% to 11.85% per annum (2010: 0.68% to 13.65% per annum).

34 Insurance Contracts

	Group	
	2011 US$m	2010 US$m
Gross estimated losses and claims payable (Note 22)	**121.2**	92.4
Unearned premiums (Note 22)	**301.8**	248.1
	423.0	340.5
Less: Reinsurers' share of estimated losses (Note 20)	**(66.5)**	(40.7)
Total insurance liabilities	**356.5**	299.8

The gross estimated losses and unearned premiums are analysed as follows:

Non-current	**82.2**	64.9
Current	**340.8**	275.6
	423.0	340.5

The amount and timing of claim payments are typically resolved within one year.

34 Insurance Contracts (continued)

Movements in insurance liabilities and reinsurance assets

(a) Claims and loss adjustment expenses

	2011 US$m	2010 US$m
Balance at 1st January	**51.7**	38.8
Cash paid for claims settled in the period	**(111.3)**	(87.2)
Increase in liabilities		
- arising from current period claims	**114.9**	97.6
- arising from prior period claims	**-**	0.7
Translation adjustments	**(0.6)**	1.8
Total at 31st December	**54.7**	51.7
Notified claims	**51.6**	48.7
Incurred, but not reported	**3.1**	3.0
Total at 31st December	**54.7**	51.7

(b) Unearned premium provision

	2011 US$m	2010 US$m
At 1st January	**248.1**	185.4
Increase	**57.7**	53.7
Translation adjustments	**(4.0)**	9.0
Total at 31st December	**301.8**	248.1

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

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

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

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

35 Cash Flows from Operating Activities

	Group	
	2011 US$m	2010 US$m
Profit before tax	**3,026.1**	2,827.4
Adjustments for:		
Financing income	**(82.1)**	(55.9)
Financing charges	**83.7**	55.4
Share of associates' and joint ventures' results after tax	**(674.4)**	(577.9)
Depreciation of property, plant and equipment	**579.3**	469.0
Amortisation of leasehold land use rights and intangible assets	**60.4**	48.4
Fair value (gain)/loss of:		
- plantations	**(37.5)**	(421.5)
- investment properties	**(1.1)**	(0.1)
Impairment of:		
- debtors	**116.8**	105.5
- property, plant and equipment	**-**	0.2
- goodwill	**-**	1.1
(Profit)/loss on disposal of:		
- leasehold land use rights	**-**	(0.9)
- property, plant and equipment	**(8.3)**	(2.8)
- intangible assets	**0.1**	0.4
- investment properties	**(1.5)**	-
- plantations	**4.5**	3.7
- subsidiaries	**-**	(13.9)
- associates	**(0.3)**	-
- investments	**(21.8)**	(13.0)
Loss on disposal/write-down of repossessed assets	**81.0**	63.2
Write-down of stocks	**12.2**	9.2
Changes in provisions	**26.6**	24.9
Foreign exchange (gain)/loss	**(18.2)**	11.9
Excess of net fair value of identifiable assets, liabilities and contingent liabilities acquired over cost of business combination	**(0.5)**	-
	118.9	(293.1)
Operating profit before working capital changes	**3,145.0**	2,534.3
Changes in working capital		
Stocks	**(424.0)**	(585.5)
Financing debtors	**(1,380.6)**	(1,117.3)
Debtors	**(751.6)**	(372.0)
Creditors	**902.4**	451.5
Pensions	**25.0**	21.7
	(1,628.8)	(1,601.6)
Cash flows from operating activities	**1,516.2**	932.7

36 Notes to Consolidated Statement of Cash Flows

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

	Group	
	2011 US$m	2010 US$m
Bank balances and other liquid funds including restricted balances (Note 21)	**1,514.6**	847.8
Bank overdrafts (Note 24)	**(4.4)**	-
	1,510.2	847.8

(a) Purchase of subsidiaries

In 2011, Astra acquired new subsidiaries for US$244.4 million (2010: US$37.9 million). This comprised net cash outflow of US$158.1m for 60% interests in two coal mine concession companies PT Asmin Bara Bronang and PT Asmin Bara Jaan, US$85.6m for a 95% interest in the 40.5km Kertosono-Mojokerto toll road operator PT Marga Harjaya Infrastruktur, and US$0.7m for a die manufacturer PT Fuji Technica Indonesia. The investments in PT Asmin Bara Bronang and PT Asmin Bara Jaan represent the expansion of the coal mining business, while the investment in PT Marga Harjaya Infrastruktur is a continuation of Astra's involvement in the infrastructure sector of Indonesia. CCB acquired Lowe Motors Sdn Bhd, the authorised dealer of Mercedes-Benz vehicles in Penang Malaysia for US$5.2 million.

The new subsidiaries acquired in 2011 contributed revenue of US$42.0 million and profit after tax of US$3.1 million to the Group. Had the acquisitions occurred on 1st January 2011, Group revenue would have been US$20,106.8 million and profit after tax would have been US$2,444.6 million.

	2011 Fair value US$m	2010 Fair value US$m
Intangible assets (Note 10)	**151.2**	-
Leasehold land use rights (Note 11)	**0.6**	-
Property, plant and equipment (Note 12)	**407.0**	-
Deferred tax assets (Note 25)	**0.6**	-
Stocks	**4.6**	-
Debtors	**19.6**	0.2
Current tax assets	**0.5**	-
Bank balances and other liquid funds	**41.8**	40.7
Non-current provisions (Note 23)	**(0.5)**	-
Non-current borrowings	**(3.5)**	-
Deferred tax liabilities (Note 25)	**(107.7)**	-
Pension liabilities	**(0.4)**	-
Current borrowings	**(5.3)**	-
Current tax liabilities	**(1.1)**	(3.3)
Creditors	**(70.4)**	(0.2)
Net assets	**437.0**	37.4
Adjustment for non-controlling interests	**(140.5)**	-
Goodwill	**1.5**	-
Excess of net fair value of identifiable assets, liabilities and contingent liabilities acquired over cost of business combination	**(0.5)**	-
Transfer of carrying value of associates and joint ventures	**(5.4)**	-
Deferred consideration	**(42.5)**	0.5
Cash paid for business combination	**249.6**	37.9
Cash and cash equivalents of subsidiaries acquired	**(41.1)**	(40.7)
Net cash flow from business combination	**208.5**	(2.8)

36 Notes to Consolidated Statement of Cash Flows (continued)

(b) Sale of subsidiaries

In 2011, Astra received partial payment for the liquidation of five subsidiaries in 2009. Astra received US$22.1 million for the sale of subsidiaries in 2010.

	Group	
	2011 US$m	2010 US$m
Intangible assets (Note 10)	**-**	(0.3)
Leasehold land use rights (Note 11)	**-**	(15.1)
Property, plant and equipment (Note 12)	**-**	(12.2)
Plantations	**-**	(6.9)
Deferred tax assets (Note 25)	**-**	(4.9)
Stocks	**-**	(14.1)
Debtors	**-**	(14.9)
Current tax assets	**-**	(0.2)
Bank balances and other liquid funds	**-**	(2.7)
Non-current provisions (Note 23)	**-**	0.1
Pension liabilities	**-**	0.6
Current borrowings	**-**	3.1
Current tax liabilities	**-**	0.9
Creditors	**-**	16.0
Net assets	**-**	(50.6)
Adjustment for non-controlling interests	**-**	8.9
Net assets disposed of	**-**	(41.7)
Adjustment for carrying value of associates and joint ventures	**-**	22.4
(Profit)/loss on disposal of subsidiaries (Note 4)	**-**	(13.9)
Deferred consideration	**(1.8)**	11.1
Cash proceeds from disposal	**(1.8)**	(22.1)
Cash and cash equivalents of subsidiaries disposed	**-**	2.7
Net cash flow from disposal	**(1.8)**	(19.4)

37 Segment Information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board for the purpose of resource allocation and performance assessment. Astra is considered as one operating segment because the decisions for resource allocation and performance assessment are made directly by the board of Astra, taking into account the opinions of the JC&C Board. Set out below is an analysis of the segment information.

	Astra US$m	Other motor interests US$m	Corporate and other interests US$m	Group US$m
2011				
Revenue	**18,635.8**	**1,447.7**	**-**	**20,083.5**
Net operating costs	**(16,326.2)**	**(1,392.6)**	**(11.4)**	**(17,730.2)**
Operating profit	**2,309.6**	**55.1**	**(11.4)**	**2,353.3**
Financing income	**81.8**	**0.3**	**-**	**82.1**
Financing changes	**(80.9)**	**(1.3)**	**(1.5)**	**(83.7)**
Net financing income/(charges)	**0.9**	**(1.0)**	**(1.5)**	**(1.6)**
Share of associates' and joint ventures' results after tax	**650.3**	**24.1**	**-**	**674.4**
Profit before tax	**2,960.8**	**78.2**	**(12.9)**	**3,026.1**
Tax	**(531.8)**	**(10.3)**	**(41.1)**	**(583.2)**
Profit after tax	**2,429.0**	**67.9**	**(54.0)**	**2,442.9**
Non-controlling interests	**(1,406.4)**	**(6.1)**	**-**	**(1,412.5)**
Profit attributable to shareholders	**1,022.6**	**61.8**	**(54.0)**	**1,030.4**
Non-trading items	**(11.4)**	**-**	**-**	**(11.4)**
Underlying profit attributable to shareholders	**1,011.2**	**61.8**	**(54.0)**	**1,019.0**
Net cash/(debt) (excluding net debt of financial services companies)	**(63.1)**	**(74.6)**	**29.4**	**(108.3)**
Total equity	**9,488.3**	**383.8**	**93.4**	**9,965.5**
2010				
Revenue	14,360.4	1,319.8	-	15,680.2
Net operating costs	(12,147.6)	(1,270.7)	(12.9)	(13,431.2)
Operating profit	2,212.8	49.1	(12.9)	2,249.0
Financing income	55.6	0.3	-	55.9
Financing charges	(53.4)	(0.9)	(1.1)	(55.4)
Net financing income/(charges)	2.2	(0.6)	(1.1)	0.5
Share of associates' and joint ventures' results after tax	554.9	23.0	-	577.9
Profit before tax	2,769.9	71.5	(14.0)	2,827.4
Tax	(545.5)	(9.6)	(28.1)	(583.2)
Profit after tax	2,224.4	61.9	(42.1)	2,244.2
Non-controlling interests	(1,294.2)	(5.7)	-	(1,299.9)
Profit attributable to shareholders	930.2	56.2	(42.1)	944.3
Non-trading items	(132.1)	-	-	(132.1)
Underlying profit attributable to shareholders	798.1	56.2	(42.1)	812.2
Net cash/(debt) (excluding net debt of financial services companies)	(393.5)	34.0	7.0	(352.5)
Total equity	7,664.3	363.9	29.1	8,057.3

Further analysis of the underlying profit attributable to shareholders by business is disclosed under Note 9. Segment assets and liabilities are not disclosed as these are not regularly provided to the Board.

38 Immediate and Ultimate Holding Companies

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

39 Subsequent Event

On 27th February 2012, the Group's 50.1%-held subsidiary, PT Astra International Tbk, announced a proposed stock split of 10 for 1 which will be put to its shareholders for approval at an Extraordinary General Meeting to be held immediately after the close of its 2012 Annual General Meeting around April/May 2012.

40 Principal Subsidiaries, Associates and Joint Ventures

The details of principal subsidiaries are as follows:

Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2011 %	2010 %
Singapore				
• Cycle & Carriage Industries Pte Ltd	Retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
• Cycle & Carriage Automotive Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
• Cycle & Carriage Kia Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
• Cycle & Carriage France Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
• Diplomat Parts Pte Ltd	Investment holding and sale of vehicle parts	Singapore	**100.0**	100.0
• Republic Auto Pte Ltd	Retail and leasing of vehicles	Singapore	**70.0**	70.0
Malaysia				
◆ Cycle & Carriage Bintang Berhad (Quoted on Bursa Malaysia)	Retail of vehicles and provision of after-sales services	Malaysia	**59.1**	59.1

40 Principal Subsidiaries, Associates and Joint Ventures (continued)

The details of principal subsidiaries are as follows: (continued)

	Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2011 %	2010 %
	Indonesia				
◆	PT Astra International Tbk (Quoted on the Indonesia Stock Exchange)	Investment holding and retail of vehicles and motorcycles	Indonesia	**50.1**	50.1
◆	PT United Tractors Tbk (Quoted on the Indonesia Stock Exchange) #	Distribution and rental of heavy equipment	Indonesia	**29.8**	29.8
◆	PT Pamapersada Nusantara #	Mining	Indonesia	**29.8**	29.8
◆	PT Astra Otoparts Tbk (Quoted on the Indonesia Stock Exchange) #	Manufacture and sale of automotive components	Indonesia	**47.9**	47.9
◆	PT Astra Agro Lestari Tbk (Quoted on the Indonesia Stock Exchange) #	Development of oil palm plantations, processing and sale of palm oil products	Indonesia	**39.9**	39.9
◆	PT Federal International Finance	Consumer finance activities	Indonesia	**50.1**	50.1
◆	PT Astra Graphia Tbk (Quoted on the Indonesia Stock Exchange) #	Sole agent and distributor of Fuji Xerox copier and information technology goods	Indonesia	**38.5**	38.5

40 Principal Subsidiaries, Associates and Joint Ventures (continued)

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

	Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2011 %	2010 %
◆	PT Astra Honda Motor	Manufacture, assembly, and distribution of Honda motorcycles and provision of after-sales services	Indonesia	**25.1**	25.1
◆	PT Toyota Astra Motor *	Distribution of Toyota vehicles	Indonesia	**25.6**	25.6
+	PT Bank Permata Tbk (Quoted on the Indonesia Stock Exchange)	Commercial bank	Indonesia	**22.3**	22.3
◆	PT Tunas Ridean Tbk (Quoted on the Indonesia Stock Exchange)	Retail of vehicles and motorcycles, provision of operating lease and consumer financing services	Indonesia	**43.8**	43.8
	Vietnam				
◆	Truong Hai Auto Corporation	Manufacture, assembly, distribution and retail of motor vehicles	Vietnam	**32.0**	28.1

- • Audited by PricewaterhouseCoopers LLP, Singapore.
- ◆ Audited by Haryanto Sahari & Rekan in Indonesia, PricewaterhouseCoopers, Malaysia and PricewaterhouseCoopers, Vietnam, members of the worldwide PricewaterhouseCoopers organisation.
- + Audited by Siddharta Siddharta & Widjaja in Indonesia, a member of the worldwide KPMG organisation.
- # Direct interest more than 50%.
- * Not consolidated as the entity is not controlled by the Group and is deemed to be a joint venture as the Group shares the control of the entity.

THREE-YEAR SUMMARY

	2011 US$m	2010 US$m	2009 US$m	2011 S$m	2010 S$m	2009 S$m
Profit and Loss Account						
Revenue	**20,083.5**	15,680.2	10,640.4	**25,197.2**	21,337.6	15,457.0
Underlying profit attributable to shareholders	**1,019.0**	812.2	523.7	**1,278.5**	1,105.2	760.7
Non-trading items	**11.4**	132.1	(12.0)	**14.3**	179.7	(17.4)
Profit attributable to shareholders	**1,030.4**	944.3	511.7	**1,292.8**	1,284.9	743.3
Earnings per share (US¢/S¢)	**289.68**	265.48	143.86	**363.45**	361.23	208.98
Underlying earnings per share (US¢/S¢)	**286.48**	228.34	147.23	**359.43**	310.71	213.88
Dividend per share (US¢/S¢)	**123.00**	98.00	58.00	**158.12**	122.72	81.09
Balance Sheet						
Intangible assets	**902.5**	693.6	634.7	**1,172.9**	893.5	890.6
Leasehold land use rights	**499.3**	448.0	414.4	**648.9**	577.2	581.4
Property, plant and equipment	**3,543.4**	2,521.1	2,026.0	**4,605.1**	3,247.9	2,843.0
Investment properties	**59.4**	25.0	23.1	**77.1**	32.2	32.4
Plantations	**1,057.9**	953.8	425.4	**1,374.8**	1,228.8	597.0
Interests in associates and joint ventures	**2,408.6**	2,211.8	1,692.2	**3,130.2**	2,849.4	2,374.4
Non-current debtors excluding restricted cash	**2,290.3**	1,699.1	1,195.8	**2,976.4**	2,189.1	1,678.0
Other non-current assets	**710.8**	490.5	382.2	**923.8**	631.8	536.4
Net current assets excluding net debt due within one year	**2,869.9**	2,296.0	1,382.4	**3,729.7**	2,958.0	1,939.8
Net debt due within one year	**(919.6)**	(1,159.9)	(281.4)	**(1,195.1)**	(1,494.3)	(394.9)
Net debt due after one year including restricted cash	**(2,631.1)**	(1,540.1)	(1,133.9)	**(3,419.3)**	(1,984.2)	(1,591.1)
Other non-current liabilities	**(825.9)**	(581.6)	(444.1)	**(1,073.4)**	(749.2)	(623.3)
Net operating assets	**9,965.5**	8,057.3	6,316.8	**12,951.1**	10,380.2	8,863.7
Shareholders' funds	**4,406.6**	3,743.1	2,910.9	**5,726.9**	4,822.2	4,084.5
Non-controlling interests	**5,558.9**	4,314.2	3,405.9	**7,224.2**	5,558.0	4,779.2
Total equity	**9,965.5**	8,057.3	6,316.8	**12,951.1**	10,380.2	8,863.7
Net asset value per share (US$/S$)	**12.39**	10.52	8.18	**16.10**	13.56	11.48
Net tangible asset per share (US$/S$)	**10.78**	8.91	6.64	**14.00**	11.48	9.32
Statement of Cash Flows						
Net cash flows from operating activities	**972.8**	337.7	1,078.5	**1,220.5**	459.5	1,566.7
Net cash flows used in investing activities	**(1,121.3)**	(627.0)	(508.3)	**(1,406.8)**	(853.2)	(738.4)
Net cash flows before financing activities	**(148.5)**	(289.3)	570.2	**(186.3)**	(393.7)	828.3
Net cash flows per share from operating activities (US$/S$)	**2.7**	0.9	3.0	**3.4**	1.3	4.4
Key Ratios						
Gearing including financial services companies	**36%**	34%	22%	**36%**	34%	22%
Gearing excluding financial services companies	**1%**	4%	n.a.	**1%**	4%	n.a.
Dividend cover (times)	**2.3**	2.3	2.5	**2.3**	2.3	2.5
Dividend payout	**43%**	43%	39%	**44%**	41%	38%
Return on shareholders' funds	**25.0%**	24.4%	20.4%	**24.2%**	24.8%	20.9%
Return on total equity	**26.8%**	26.5%	22.7%	**26.0%**	26.9%	23.2%

Notes:
1. The exchange rate of US$1=S$1.2996 (2010: US$1=S$1.2883, 2009: US$1=S$1.4032) was used for translating assets and liabilities at the balance sheet date and US$1=S$1.2546 (2010: US$1=S$1.3608, 2009: US$1=S$1.4527) was used for translating the results for the year.
2. Net tangible assets as at 31.12.11 were US$3,832.9 million (2010: US$3,170.1 million, 2009: US$2,362.1 million) and were computed after deducting intangibles from shareholders' funds.
3. Gearing is computed based on net borrowings divided by total equity.
4. Dividend cover is based on underlying profit attributable to shareholders divided by dividend declared and dividend proposed for the financial year.
5. Dividend payout is based on dividend per share divided by underlying earnings per share.
6. Return on shareholders' funds is computed based on underlying profit attributable to shareholders, divided by average shareholders' funds.
7. Return on total equity is computed based on underlying profit after tax, divided by average total equity.

INVESTMENT PROPERTIES

Address	Title	Land area sq ft	Description
Indonesia			
Apartment Casablanca, Jl. Casablanca Kav-12 Jakarta	Leasehold (31 years wef 1994)	52,103	Casablanca – residential property comprising 125 apartments with a total net floor area of 156,202 sq ft
Jalan Gaya Motor II No. 1 Jakarta	Leasehold (40 years wef 1992)	424,626	Warehouse
Kawasan Cikarang, Kel Pasir Sari, Kec. Lemah Abang, Bekasi, Jawat Barat	Leasehold (39 years wef 1987)	430,546	Vacant land

Share Capital
Issued and fully paid-up capital : S$1,082,179,362.61 comprising 355,712,660 shares
Class of shares : Ordinary shares, each with equal voting rights

Twenty Largest Shareholders

No.	Name of shareholder	No. of shares	% of issued share capital
1	Jardine Strategic Singapore Pte Ltd	253,532,540	71.27
2	DBS Nominees Pte Ltd	36,828,679	10.35
3	Citibank Nominees Singapore Pte Ltd	17,893,995	5.03
4	DBSN Services Pte Ltd	14,288,500	4.02
5	HSBC (Singapore) Nominees Pte Ltd	6,829,688	1.92
6	United Overseas Bank Nominees Pte Ltd	2,899,966	0.82
7	Raffles Nominees (Pte) Ltd	1,654,719	0.47
8	Mrs Chua Boon Unn Nee Fong Lai Wah	1,610,536	0.45
9	BNP Paribas Securities Services	1,183,255	0.33
10	Kota Trading Company Sendirian Berhad	1,177,029	0.33
11	Merrill Lynch (Singapore) Pte Ltd	920,667	0.26
12	Hong Leong Finance Nominees Pte Ltd	767,103	0.21
13	Estate of Chua Boon Yew Deceased	744,700	0.21
14	Chua Swee Eng	660,537	0.19
15	First Cuscaden Private Limited	558,954	0.16
16	Song Mei Cheah Angela	477,000	0.13
17	Kew Estate Limited	441,000	0.12
18	UOB Kay Hian Pte Ltd	415,968	0.12
19	Yeo Realty & Investments (Pte) Ltd	309,841	0.09
20	DB Nominees (Singapore) Pte Ltd	272,053	0.08
	TOTAL	343,466,730	96.56

As at 12th March 2012, approximately 22.7% of the Company's ordinary shares (excluding treasury shares) listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") were held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

SHAREHOLDING STATISTICS
As at 12th March 2012

Substantial Shareholders

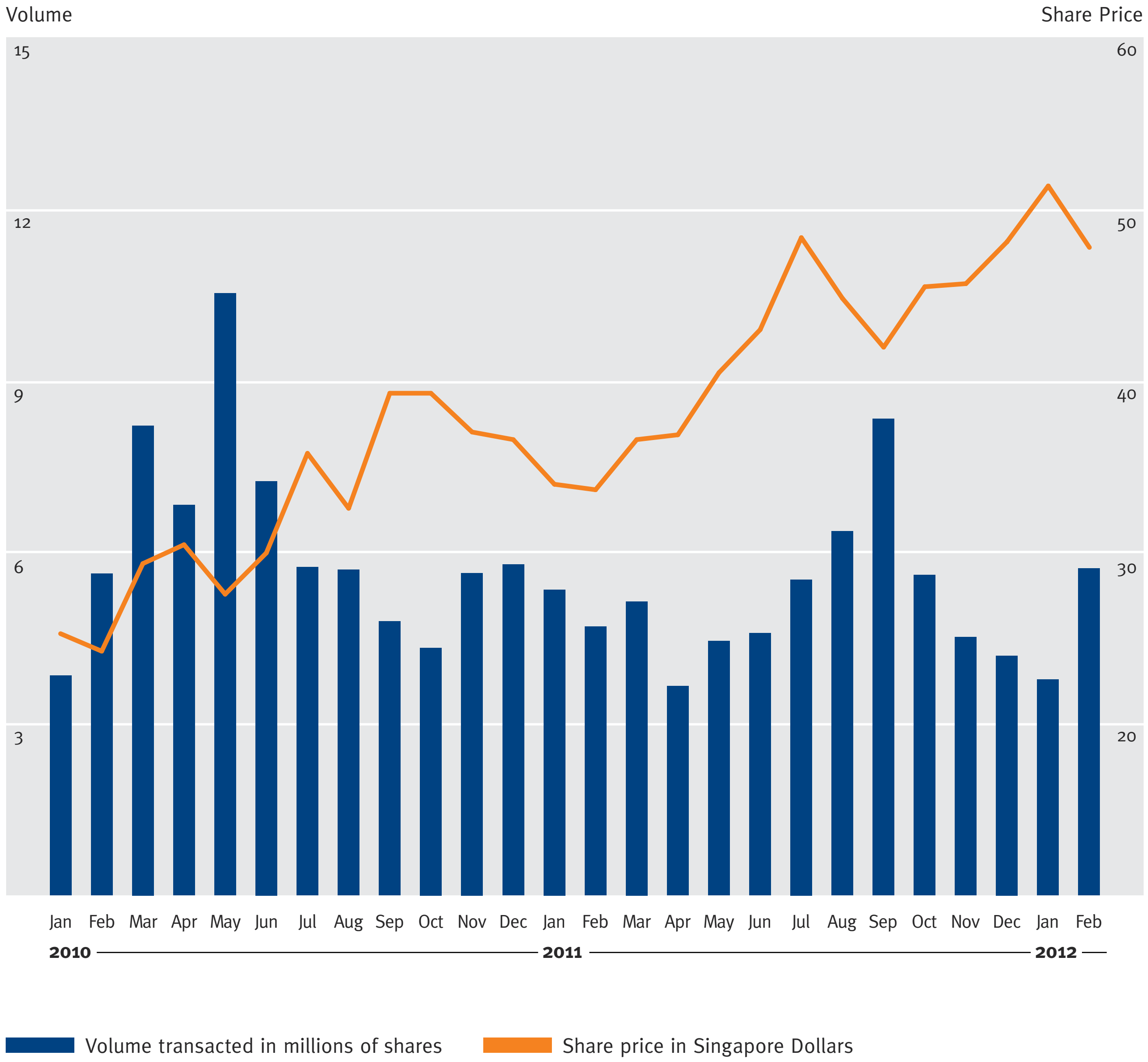
Name of shareholder	No. of shares	%
Jardine Strategic Holdings Limited*	253,612,540 shares	71.30%
Employees Provident Fund Board	21,325,000 shares	6.00%

Note:
* Jardine Strategic Holdings Limited ("JSHL") is interested in 253,612,540 shares through its wholly-owned subsidiary, JSH Asian Holdings Limited ("JAHL"). JAHL is in turn interested in the said shares through its wholly-owned subsidiary, Jardine Strategic Singapore Pte Ltd. By virtue of Jardine Matheson Holdings Limited's ("JMH") interests in JSHL through its wholly-owned subsidiary, JMH Investments Limited ("JMHI"), JMH and JMHI are also deemed to be interested in the said shares.

Breakdown of Shareholdings by Range

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares	% of issued share capital
1 – 999	1,066	37.10	239,287	0.07
1,000 – 10,000	1,543	53.71	4,321,783	1.21
10,001 – 1,000,000	254	8.84	13,252,683	3.73
1,000,001 and above	10	0.35	337,898,907	94.99
Total	2,873	100.00	355,712,660	100.00

SHARE PRICE AND VOLUME



	2011	2010
Underlying earnings per share (US¢)	**286.48**	228.34
Earnings per share (US¢)	**289.68**	265.48
Dividend per share (US¢)	**123.00**	98.00
Net asset value per share (US$)	**12.39**	10.52

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 43rd Annual General Meeting of the Company will be held at Event Hall, Level 2, Cycle & Carriage Industries Pte. Limited, Mercedes-Benz Center, 301 Alexandra Road, Singapore 159968 on Wednesday, 25th April 2012 at 11.30 a.m. for the following purposes:

As Ordinary Business:

1. To receive and adopt the Audited Financial Statements for the year ended 31st December 2011 together with the reports of the Directors and the Auditors thereon.

2. To approve the payment of a final one-tier tax exempt dividend of US$1.05 per share for the year ended 31st December 2011 as recommended by the Directors.

3. To approve payment of additional Directors' fees of S$12,000 for the year ended 31st December 2011 and Directors' fees of up to S$934,000 for the year ending 31st December 2012. (2011: S$632,000)

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

   a. Mr. Cheah Kim Teck;
   b. Mr. Mark Greenberg;
   c. Mr. Chiew Sin Cheok; and
   d. Mr. Benjamin Keswick.

5. To re-elect the following Directors retiring pursuant to Article 99 of the Articles of Association of the Company:

   a. Mrs. Lim Hwee Hua; and
   b. Mr. Alexander Newbigging.

6. To authorise Mr. Boon Yoon Chiang to continue to act as a Director of the Company from the date of this Annual General Meeting until the next Annual General Meeting, pursuant to Section 153(6) of the Companies Act, Cap. 50.

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

8. To transact any other routine business which may arise.

As Special Business:

9. To consider and, if thought fit, to pass with or without any amendments the following resolutions as Ordinary Resolutions:

Renewal of the Share Issue Mandate

9A. "That authority be and is hereby given to the Directors of the Company to:

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

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

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

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

provided that:

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

As Special Business: (continued)

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

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

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

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

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

Renewal of the Share Purchase Mandate

9B. "That:

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

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

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

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

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

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

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

As Special Business: (continued)

c. in this Resolution:

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

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

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

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

   where:

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

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

   "**day of the making of the offer**" means the day on which the Company makes an offer for the purchase of Shares from shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

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

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

Renewal of the General Mandate for Interested Person Transactions

9C. "That:

a. approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in Appendix B of the Company's letter to shareholders dated 5th April 2012 (the "**Letter**"), with any party who is of the classes of Interested Persons described in Appendix B of the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for Interested Person Transactions (the "**IPT Mandate**");

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

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

By Order of the Board

Ho Yeng Tat
Group Company Secretary

Singapore, 5th April 2012

As Special Business: (continued)

Notes:

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote on his behalf and such proxy need not be a member of the Company.

An instrument appointing a proxy must be deposited at the office of the share registrar, M & C Services Pte Ltd, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906, not less than 48 hours before the time for holding the Annual General Meeting or any adjournment thereof.

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

Mr. Mark Greenberg, Mrs. Lim Hwee Hua and Mr. Boon Yoon Chiang will continue as members of the Company's Audit Committee upon their re-election as Directors of the Company. Of these directors, Mrs. Lim Hwee Hua is an independent director.

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

a. Item 3 is to request shareholders' approval for additional Directors' fees to meet the shortfall in the amount payable for the year ended 31st December 2011. The amount proposed and approved at last year's AGM was insufficient due to the appointment of an additional director in the course of the year.

b. Item 3 is also to request shareholders' approval for payment of Directors' fees (including benefits-in-kind) on a current year basis, calculated taking into account the number of scheduled Board and committee meetings for 2012 and assuming that all non-executive Directors will hold office for the full year. In the event the Directors' fees proposed for 2012 are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at next year's AGM for additional fees to meet the shortfall. The increase in the Directors' fees (including benefits in kind) payable for the year ending 31st December 2012 is to bring them in line with industry practice and market norm for directors of comparable sized companies and reflect the increasingly onerous corporate governance obligations and directors' fiduciary responsibilities. The Directors' fees were last reviewed in 2011. Information on the revision to the Directors' fees are set out in the Company's Corporate Governance Report in pages 28 and 29 of the Annual Report 2011.

c. Key information on the Directors to be re-elected are set out in pages 22 to 24 of the Annual Report 2011.

Statement pursuant to Article 54 of the Articles of Association of the Company

The effects of the resolutions under the heading "As Special Business" are:

a. Ordinary Resolution No. 9A is to renew effective until the next Annual General Meeting, the Share Issue Mandate to allow the Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders. For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that this Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that this Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

b. Ordinary Resolution No. 9B is to renew effective until the next Annual General Meeting, the Share Purchase Mandate for the Company to make purchases or acquisitions of its issued ordinary shares. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its shares. For illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company, of 10% of its issued ordinary shares as at 12th March 2012, at a purchase price equivalent to the Maximum Price per share, in the case of a Market Purchase and an Off-Market Purchase respectively, based on the audited accounts of the Group and the Company for the financial year ended 31st December 2011, and certain other assumptions, are set out in the Company's letter to shareholders dated 5th April 2012 accompanying the Annual Report 2011.

c. Ordinary Resolution No. 9C is to renew effective up to the next Annual General Meeting, the General Mandate for Interested Person Transactions to enable the Company, its subsidiaries and associated companies that are considered "entities at risk" to enter in the ordinary course of business into certain types of transactions with specified classes of the Company's interested persons. Particulars of the IPT Mandate, and the Audit Committee's confirmation in support of the renewal of the IPT Mandate, are set out in the Company's letter to shareholders dated 5th April 2012 accompanying the Annual Report 2011.

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Please cut proxy form here

PROXY FORM

The Group Company Secretary
Jardine Cycle & Carriage Limited
c/o M & C Services Pte Ltd
138 Robinson Road
#17-00 The Corporate Office
Singapore 068906

IMPORTANT:
1. For investors who have used their CPF monies to buy **Jardine Cycle & Carriage Limited** shares, this **Annual Report** is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as observers must submit their requests through their CPF Approved Nominees within the time frame specified. Any voting instructions must also be submitted to their CPF Approved Nominees within the time frame specified to enable them to vote on the CPF investor's behalf.

I/We ______________________________ (NRIC/Passport/UEN No.) ______________

of ____

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

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

as my/our proxy/proxies, or if no proxy is named, the Chairman of the Meeting, to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the 43rd Annual General Meeting of the Company to be held at Event Hall, Level 2, Cycle & Carriage Industries Pte. Limited, Mercedes-Benz Center, 301 Alexandra Road, Singapore 159968 on Wednesday, 25th April 2012 at 11.30 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

Ordinary Business	For	Against
1. Adoption of Directors' and Auditors' Reports and Financial Statements		
2. Declaration of Final Dividend		
3. Approval of additional Directors' Fees for the year ended 31st December 2011 and Directors' Fees for the year ending 31st December 2012		
4. Re-election of the following Directors retiring pursuant to Article 94:		
a. Mr. Cheah Kim Teck		
b. Mr. Mark Greenberg		
c. Mr. Chiew Sin Cheok		
d. Mr. Benjamin Keswick		
5. Re-election of the following Directors retiring pursuant to Article 99:		
a. Mrs. Lim Hwee Hua		
b. Mr. Alexander Newbigging		
6. Authorisation for Mr. Boon Yoon Chiang to continue as Director pursuant to section 153(6) of the Companies Act		
7. Re-appointment of PricewaterhouseCoopers LLP as Auditors		
8. Any other routine business		

PROXY FORM

Special Business	For	Against
9. A. Renewal of the Share Issue Mandate		
B. Renewal of the Share Purchase Mandate		
C. Renewal of the General Mandate for Interested Person Transactions		

Date this .... day of .... 2012.

Total number of shares held

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

Important: Please Read Notes Below

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him and such proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

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

5. The instrument appointing a proxy or proxies must be deposited at the office of the share registrar, M & C Services Pte Ltd, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906, not less than 48 hours before the time appointed for the Annual General Meeting.

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

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

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.