

# Financial Statements

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# Directors' Statement

The directors of Jardine Cycle & Carriage Limited present their statement to the members together with the audited financial statements for the financial year ended 31st December 2021.

In the opinion of the directors,

- (a) the accompanying financial statements set out on pages 65 to 165 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31st December 2021, the financial performance and the changes in equity of the Group and of the Company and the cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 1. Directors

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

Benjamin Keswick (Chairman)  
 Benjamin Birks (Group Managing Director)  
 Stephen Gore (Group Finance Director)  
 Michael Kok  
 Mrs Lim Hwee Hua#  
 Dr Marty Natalegawa  
 Anthony Nightingale  
 Steven Phan#  
 Tan Yen Yen (appointed on 1st January 2021)  
 Samuel Tsien# (appointed on 1st October 2021)

# Audit Committee member.

Vimala Menon stepped down on 30th December 2021.

## 2. Directors' Interests

As at 31st December 2021 and 1st January 2021, the directors of the Company had interests set out below in the ordinary shares of Jardine Cycle & Carriage Limited and its related companies. These were direct interests except where otherwise indicated:

Name of director/ Par value per share	Jardine Cycle & Carriage	Jardine Matheson US\$0.25	Jardine Strategic US\$0.05	Dairy Farm US\$0.05 <sup>5/9</sup>	Astra International Rp50	Hongkong Land US\$0.10
<b>As at 31st December 2021</b>						
Benjamin Keswick	–	4,044,489 43,189,404*	–	–	–	–
Benjamin Birks	25,000	–	–	–	–	–
Stephen Gore	25,000	–	–	–	–	–
Michael Kok	–	–	–	122,888	–	–
Anthony Nightingale	–	1,196,960	–	34,183	6,100,000	2,184
<b>As at 1st January 2021</b>						
Benjamin Keswick	–	3,932,420 42,041,111*	–	–	–	–
Benjamin Birks	–	–	–	–	–	–
Stephen Gore	–	–	–	–	–	–
Michael Kok	–	–	–	282,888	–	–
Anthony Nightingale	–	1,186,780	19,153	34,183	6,100,000	2,184

\* 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 2021, Benjamin Keswick, Benjamin Birks and Stephen Gore held options in respect of 190,000 (1.1.21: 190,000), 70,000 (1.1.21: 70,000) and 35,000 (1.1.21: 35,000) ordinary shares, respectively, in Jardine Matheson issued pursuant to that company's Senior Executive Share Incentive Schemes.
- (b) At 31st December 2021 and 1st January 2021, Benjamin Keswick 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.
- (c) At 31st December 2021 and 21st January 2022, Benjamin Birks and Stephen Gore held 25,000 ordinary shares each in the Company.

Other than as mentioned above, no person who was a director of the Company as at the end of the financial year had an interest in any shares or debentures of the Company either at the beginning or end of the financial year or on 21st January 2022.

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

## **3. Audit Committee**

In relation to the financial statements of the Group and the Company for the financial year ended 31st December 2021, 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 2021 and the reports of the external auditors thereon. The Audit Committee has had four meetings since the report of the previous financial year.

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

## **4. Share Options**

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

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

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

## **5. Auditors**

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

On behalf of the directors

**Benjamin Keswick**

Director

**Steven Phan**

Director

Singapore

15th March 2022

# Independent Auditor's Report

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## Report on the Audit of the Financial Statements

### Our Opinion

In our opinion, the accompanying consolidated financial statements of Jardine Cycle & Carriage Limited (the "Company") and its subsidiaries (the "Group") and the profit and loss account, the statement of comprehensive income, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31st December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the financial year ended on that date.

### Separate Opinion in relation to International Financial Reporting Standards

As explained in Note 2.1 to the financial statements, the Group and the Company, in addition to applying SFRS(I)s, have also applied International Financial Reporting Standards ("IFRSs"). In our opinion, the consolidated financial statements of the Group and the profit and loss account, the statement of comprehensive income, the balance sheet and the statement of changes in equity of the Company give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31st December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the financial year ended on that date in accordance with IFRSs.

### What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated profit and loss account of the Group for the financial year ended 31st December 2021;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the consolidated balance sheet of the Group as at 31st December 2021;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the profit and loss account of the Company for the financial year then ended;
- the statement of comprehensive income of the Company for the financial year then ended;
- the balance sheet of the Company as at 31st December 2021;
- the statement of changes in equity of the Company for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

### Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

### Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

## Our Audit Approach (continued)

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31st December 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<b>Impairment of investment in an associate – Siam City Cement Public Company Limited (“SCCC”)</b>	We have evaluated the key controls over the impairment assessment process, including the identification of indicators of impairment and appropriateness of the key inputs used in the valuation models.
<i>Refer to Note 2.33 (Critical accounting estimates and judgements) and Note 16 (Interests in associates and joint ventures) to the financial statements.</i>	With the support of our valuation specialists, we assessed the appropriateness of the methodology used, and benchmarked and challenged key assumptions in management’s valuation models used to determine the recoverable amount. This included assumptions of projected profit of businesses, expected levels of capital expenditure, long-term growth rates and discount rates appropriate for the countries under review, using external data as well as our knowledge and experience. We also understood how management has considered the impact of the ongoing COVID-19 pandemic and the resulting heightened market uncertainties, as well as the impact of climate-related and other risks in its estimation.
As at 31st December 2021, the Group has a 25.5% interest in SCCC, an associate listed on the Stock Exchange of Thailand.	We tested the discounted cash flow models used by management in their assessment, re-performed the calculations to check their accuracy, and compared management’s projections against historical budgeted performance and actual results to assess the reasonableness of the cash flows used in the models.
Management undertook an impairment assessment on the basis that the carrying amount of the investment in SCCC as at 31st December 2021 was higher than its fair value based on prevailing market share price, as well as the heightened market uncertainties brought about by the ongoing COVID-19 pandemic.	We compared the discount rates and growth rates used to the range of typical rates used in similar businesses, considering whether management had incorporated all relevant macroeconomic and country-specific factors, as well as those specific to SCCC, in their determination of discount rates and growth rates. We have also considered the impact of COVID-19 pandemic on the discount rates and projected growth rates used in the models.
The determination of the recoverable amount requires significant judgements by management, particularly management’s view on key internal inputs and external market conditions including climate-related and other risks which impact future cash flows, discount rates and long-term growth rates.	We also tested management’s historical estimation accuracy by comparing previous projected growth rates to the actual growth rates achieved. Where differences were noted, we understood management’s rationale and performed procedures to obtain the evidence, such as actual recent performance, to support management’s estimate.
Based on management’s assessment, as the recoverable amount determined using value-in-use computation was higher than the carrying amount of the investment, no impairment charge was recognised.	We evaluated the sensitivity analysis performed by management and, in addition, performed our independent sensitivity analysis on the key assumptions, considering a range of alternative outcomes to determine the sensitivity of the valuation models to changes in assumptions.
	Based on our work performed, we found that the methodology used by management was appropriate and the judgements made by management to determine the key assumptions used in management’s valuation models were reasonable.

# Independent Auditor's Report (continued)

## Our Audit Approach (continued)

### Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<b>Valuation of consumer financing debtors</b>  <i>Refer to Note 2.33 (Critical accounting estimates and judgements) and Note 20 (Financing debtors) to the financial statements.</i>  As at 31st December 2021, the total amount due from consumer financing debtors of the Group amounted to US\$4,257.0 million (2020: US\$4,154.7 million), inclusive of an allowance for impairment of US\$339.7 million (2020: US\$329.5 million), held primarily through two subsidiaries of the Group, PT Astra Sedaya Finance and PT Federal International Finance.  Assessing the allowance for impairment of the amounts due from consumer financing debtors requires management to make complex and subjective judgements over both the timing of recognition and estimation of the amount of impairment required. Such judgements include the impact of loan restructuring options and collateral values which arose from the heightened uncertainties caused by the COVID-19 pandemic.  Allowances for impairment are calculated on a collective basis for large homogeneous portfolios using models driven by a number of observable inputs and management assumptions. Assumptions and parameters used in the calculations are based on historical data and current customer credit data and include the delinquency status of the borrowers. The historical loss rates are then adjusted to reflect current and forward-looking information on macroeconomic factors. Management has further considered the impact of the COVID-19 pandemic over the recoverability of consumer financing debtors, especially those which are subject to loan restructuring arrangements.	<p>We evaluated the design and tested the key controls over the credit review and approval process over the granting of loans, segmentation of the portfolio of loans, identification and monitoring of loans that were impaired, and calculation of the appropriate allowances for impairment.</p> <p>We also understood how management identified impairment events and management's basis for determining whether a loan is impaired, including management's consideration of the impact of the COVID-19 pandemic and market uncertainties, and assessed the reasonableness of that basis using information obtained through discussions with management, our understanding of the Group's lending portfolios and our broader industry knowledge.</p> <p>In considering the appropriateness of allowances for impairment, we assessed whether higher risk loans, especially those subject to loan restructuring arrangements had been appropriately considered and challenged management on their key areas of judgement, in particular how they segmented the portfolio of financing debtors, the period of historical loss data used, identification of the most relevant macroeconomic factors affecting the settlement of the amounts due from consumer financing debtors and estimated market value for collaterals held based on our understanding of the counterparties and current market conditions.</p> <p>We also assessed the models used and the assumptions applied by management, such as the basis on which the probability of default is calculated and the loss given default is estimated, and how these compared with historical data, adjusting for current market conditions and trends. We challenged management on whether historical experience was representative of current circumstances and of the recent losses incurred in the portfolios. Based on our procedures, management's assumptions are supported by available industry data, historical data and within a reasonable range based on actual loss rate data.</p> <p>We tested the completeness and accuracy of the consumer loan data from underlying systems that are used in the calculations and models to determine the impairment allowances and re-performed the allowance calculations independently. Where differences between our re-computation and management's allowances were noted, we understood the basis of the differences and performed procedures to obtain the evidence to determine the reasonableness of those differences.</p> <p>Based on our work performed, we found that the key assumptions and the data used in calculating allowances for impairment were supportable based on available evidence.</p>

## **Other Information**

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 58 to 59 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report (the "Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

## **Responsibilities of Management and Directors 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 Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# Independent Auditor's Report (continued)

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## **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

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

The engagement partner on the audit resulting in this independent auditor's report is Soh Kok Leong.

## **PricewaterhouseCoopers LLP**

Public Accountants and Chartered Accountants

Singapore

15th March 2022

# Consolidated Profit and Loss Account

For the year ended 31st December 2021

	Note	2021 US\$m	2020 US\$m
<b>Revenue</b>	3	<b>17,688.0</b>	13,234.2
Net operating costs	4	<b>(15,992.7)</b>	(11,717.0)
<b>Operating profit</b>		<b>1,695.3</b>	1,517.2
Financing income		<b>126.1</b>	121.6
Financing charges		<b>(178.4)</b>	(258.6)
Net financing charges	6	<b>(52.3)</b>	(137.0)
Share of associates' and joint ventures' results after tax	16	<b>590.6</b>	100.2
<b>Profit before tax</b>		<b>2,233.6</b>	1,480.4
Tax	7	<b>(515.3)</b>	(234.8)
<b>Profit after tax</b>		<b>1,718.3</b>	1,245.6
<b>Profit attributable to:</b>			
Shareholders of the Company		<b>660.6</b>	540.3
Non-controlling interests		<b>1,057.7</b>	705.3
		<b>1,718.3</b>	1,245.6
		<b>US¢</b>	US¢
Earnings per share:			
– basic	9	<b>167</b>	137
– diluted	9	<b>167</b>	137

The notes on pages 75 to 165 form an integral part of the financial statements.

# Consolidated Statement of Comprehensive Income

For the year ended 31st December 2021

	Note	2021 US\$m	2020 US\$m
Profit for the year		1,718.3	1,245.6
Items that will not be reclassified to profit or loss:			
Asset revaluation			
– surplus during the year		3.3	1.1
Remeasurements of defined benefit pension plans	28	(8.8)	(15.5)
Tax relating to items that will not be reclassified	7	2.7	1.3
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax		(5.2)	(11.2)
		(8.0)	(24.3)
Items that may be reclassified subsequently to profit or loss:			
Translation differences			
– gain/(loss) arising during the year		(153.0)	(160.7)
Financial assets at FVOCI <sup>(1)</sup>			
– gain/(loss) arising during the year	17	(2.1)	19.1
– transfer to profit and loss		(2.5)	1.9
		(4.6)	21.0
Cash flow hedges			
– gain/(loss) arising during the year		95.5	(45.9)
– transfer to profit and loss		–	2.8
		95.5	(43.1)
Tax relating to items that may be reclassified	7	(18.6)	4.8
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax		49.9	(56.8)
		(30.8)	(234.8)
Other comprehensive income/(expense) for the year		(38.8)	(259.1)
<b>Total comprehensive income for the year</b>		<b>1,679.5</b>	<b>986.5</b>
<b>Attributable to:</b>			
Shareholders of the Company		613.8	427.3
Non-controlling interests		1,065.7	559.2
		<b>1,679.5</b>	<b>986.5</b>

(1) Fair value through other comprehensive income ("FVOCI")

The notes on pages 75 to 165 form an integral part of the financial statements.

# Consolidated Balance Sheet

As at 31st December 2021

	Note	2021 US\$m	2020 US\$m
<b>Non-current assets</b>			
Intangible assets	10	1,775.9	1,816.9
Right-of-use assets	11	769.4	832.4
Property, plant and equipment	12	3,852.1	4,243.2
Investment properties	13	529.1	532.2
Bearer plants	14	498.6	496.7
Interests in associates and joint ventures	16	4,385.5	4,032.6
Non-current investments	17	2,255.3	2,283.9
Non-current debtors	21	2,782.7	2,846.8
Deferred tax assets	27	391.6	370.8
		17,240.2	17,455.5
<b>Current assets</b>			
Current investments	17	45.6	60.4
Properties for sale	18	374.7	390.2
Stocks	19	1,531.9	1,320.2
Current debtors	21	5,147.1	4,676.9
Current tax assets		125.4	111.4
Bank balances and other liquid funds			
– non-financial services companies		4,210.7	3,095.1
– financial services companies		378.1	402.5
	22	4,588.8	3,497.6
		11,813.5	10,056.7
<b>Total assets</b>		29,053.7	27,512.2
<b>Non-current liabilities</b>			
Non-current creditors	23	201.5	278.4
Non-current provisions	24	183.8	186.3
Non-current lease liabilities	25	64.4	79.7
Long-term borrowings			
– non-financial services companies		2,597.1	1,719.3
– financial services companies		1,273.2	1,246.0
	26	3,870.3	2,965.3
Deferred tax liabilities	27	358.9	343.5
Pension liabilities	28	396.6	389.4
		5,075.5	4,242.6

The notes on pages 75 to 165 form an integral part of the financial statements.

# Consolidated Balance Sheet (continued)

As at 31st December 2021

	Note	2021 US\$m	2020 US\$m
<b>Current liabilities</b>			
Current creditors	23	4,488.4	3,534.9
Current provisions	24	113.0	115.9
Current lease liabilities	25	52.6	65.2
Current borrowings			
– non-financial services companies		843.3	2,229.3
– financial services companies		1,846.6	1,930.4
	26	2,689.9	4,159.7
Current tax liabilities		239.0	87.3
		7,582.9	7,963.0
<b>Total liabilities</b>		12,658.4	12,205.6
<b>Net assets</b>		16,395.3	15,306.6
<b>Equity</b>			
Share capital	29	1,381.0	1,381.0
Revenue reserve	30	7,374.3	6,937.7
Other reserves	31	(1,387.1)	(1,344.6)
Shareholders' funds		7,368.2	6,974.1
Non-controlling interests	32	9,027.1	8,332.5
<b>Total equity</b>		16,395.3	15,306.6

The notes on pages 75 to 165 form an integral part of the financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 31st December 2021

	Note	Attributable to shareholders of the Company					Total US\$m	Attributable to non-controlling interests US\$m	Total equity US\$m
		Share capital US\$m	Revenue reserve US\$m	Asset revaluation reserve US\$m	Translation reserve US\$m	Fair value and other reserves US\$m			
<b>2021</b>									
Balance at 1st January		1,381.0	6,937.7	403.4	(1,683.7)	(64.3)	6,974.1	8,332.5	15,306.6
Total comprehensive income		–	656.3	1.3	(90.9)	47.1	613.8	1,065.7	1,679.5
Dividends paid by the Company	8	–	(204.7)	–	–	–	(204.7)	–	(204.7)
Dividends paid to non-controlling interests		–	–	–	–	–	–	(313.8)	(313.8)
Issue of shares to non-controlling interests		–	–	–	–	–	–	36.5	36.5
Change in shareholding		–	(14.9)	–	–	–	(14.9)	(92.5)	(107.4)
Other		–	(0.1)	–	–	–	(0.1)	(1.3)	(1.4)
Balance at 31st December		1,381.0	7,374.3	404.7	(1,774.6)	(17.2)	7,368.2	9,027.1	16,395.3
<b>2020</b>									
Balance at 1st January		1,381.0	6,720.0	403.4	(1,611.0)	(33.3)	6,860.1	8,124.4	14,984.5
Total comprehensive income		–	529.4	–	(72.7)	(29.4)	427.3	559.2	986.5
Dividends paid by the Company	8	–	(311.2)	–	–	–	(311.2)	–	(311.2)
Dividends paid to non-controlling interests		–	–	–	–	–	–	(390.6)	(390.6)
Issue of shares to non-controlling interests		–	–	–	–	–	–	38.9	38.9
Change in shareholding		–	(0.8)	–	–	–	(0.8)	0.8	–
Other		–	0.3	–	–	(1.6)	(1.3)	(0.2)	(1.5)
Balance at 31st December		1,381.0	6,937.7	403.4	(1,683.7)	(64.3)	6,974.1	8,332.5	15,306.6

The notes on pages 75 to 165 form an integral part of the financial statements.

# Profit and Loss Account

For the year ended 31st December 2021

	Note	2021 US\$m	2020 US\$m
<b>Revenue</b>	3	<b>245.9</b>	317.6
Net operating income/(costs)	4	<b>0.6</b>	(168.3)
<b>Operating profit</b>		<b>246.5</b>	149.3
Financing income		<b>0.1</b>	0.1
Financing charges		<b>(17.1)</b>	(22.0)
Net financing charges	6	<b>(17.0)</b>	(21.9)
<b>Profit before tax</b>		<b>229.5</b>	127.4
Tax	7	<b>(22.4)</b>	(28.1)
<b>Profit after tax</b>		<b>207.1</b>	99.3

The notes on pages 75 to 165 form an integral part of the financial statements.

# Statement of Comprehensive Income

For the year ended 31st December 2021

	2021 US\$m	2020 US\$m
Profit for the year	207.1	99.3
Items that may be reclassified subsequently to profit or loss:		
Translation difference		
– gain/(loss) arising during the year	(49.7)	37.9
Other comprehensive income/(expense) for the year	(49.7)	37.9
<b>Total comprehensive income for the year</b>	<b>157.4</b>	<b>137.2</b>

The notes on pages 75 to 165 form an integral part of the financial statements.

# Balance Sheet

As at 31st December 2021

	Note	2021 US\$m	2020 US\$m
<b>Non-current assets</b>			
Property, plant and equipment	12	33.1	34.1
Interests in subsidiaries	15	1,416.5	1,412.2
Interests in associates and joint ventures	16	976.0	998.2
Non-current investment	17	264.5	223.0
		2,690.1	2,667.5
<b>Current assets</b>			
Current debtors	21	1,129.8	1,157.0
Bank balances and other liquid funds	22	24.2	46.5
		1,154.0	1,203.5
<b>Total assets</b>		3,844.1	3,871.0
<b>Non-current liabilities</b>			
Long-term borrowings	26	1,535.9	–
Deferred tax liabilities	27	6.2	6.3
		1,542.1	6.3
<b>Current liabilities</b>			
Current creditors	23	109.2	65.2
Current borrowings	26	10.0	1,569.1
Current tax liabilities		1.5	1.8
		120.7	1,636.1
<b>Total liabilities</b>		1,662.8	1,642.4
<b>Net assets</b>		2,181.3	2,228.6
<b>Equity</b>			
Share capital	29	1,381.0	1,381.0
Revenue reserve	30	474.1	471.7
Other reserves	31	326.2	375.9
<b>Total equity</b>		2,181.3	2,228.6

The notes on pages 75 to 165 form an integral part of the financial statements.

# Statement of Changes in Equity

For the year ended 31st December 2021

	Note	Share capital US\$m	Revenue reserve US\$m	Translation reserve US\$m	Total equity US\$m
<b>2021</b>					
Balance at 1st January		1,381.0	471.7	375.9	2,228.6
Total comprehensive income		–	207.1	(49.7)	157.4
Dividends paid	8	–	(204.7)	–	(204.7)
Balance at 31st December		1,381.0	474.1	326.2	2,181.3
<b>2020</b>					
Balance at 1st January		1,381.0	683.6	338.0	2,402.6
Total comprehensive income		–	99.3	37.9	137.2
Dividends paid	8	–	(311.2)	–	(311.2)
Balance at 31st December		1,381.0	471.7	375.9	2,228.6

The notes on pages 75 to 165 form an integral part of the financial statements.

# Consolidated Statement of Cash Flows

For the year ended 31st December 2021

	Note	2021 US\$m	2020 US\$m
<b>Cash flows from operating activities</b>			
Cash generated from operations	37	3,096.0	3,002.1
Interest paid		(139.1)	(215.5)
Interest received		137.3	112.0
Other finance costs paid		(35.5)	(68.4)
Income taxes paid		(374.8)	(361.7)
		(412.1)	(533.6)
Dividends received from associates and joint ventures (net)		344.4	285.9
		(67.7)	(247.7)
<i>Net cash flows from operating activities</i>		3,028.3	2,754.4
<b>Cash flows from investing activities</b>			
Sale of intangible assets		–	0.6
Sale of property, plant and equipment		32.2	34.4
Sale of associates and joint ventures		–	1,138.3
Sale of investments		245.5	444.8
Purchase of intangible assets		(118.5)	(96.5)
Additions to right-of-use assets		(13.3)	(18.1)
Purchase of property, plant and equipment		(349.2)	(309.4)
Purchase of investment properties		(1.4)	(6.3)
Additions to bearer plants		(31.7)	(34.8)
Purchase of subsidiaries, net of cash acquired	38	–	(51.8)
Purchase of shares in associates and joint ventures		(77.1)	(32.5)
Purchase of investments		(375.0)	(483.4)
<i>Net cash flows from investing activities</i>		(688.5)	585.3
<b>Cash flows from financing activities</b>			
Drawdown of loans	26	4,275.7	1,903.0
Repayment of loans	26	(4,812.1)	(2,865.8)
Principal elements of lease payments		(104.0)	(133.8)
Changes in controlling interests in subsidiaries		(107.4)	–
Investments by non-controlling interests		36.5	38.9
Dividends paid to non-controlling interests		(313.8)	(390.6)
Dividends paid by the Company	8	(204.7)	(311.2)
<i>Net cash flows from financing activities</i>		(1,229.8)	(1,759.5)
Net change in cash and cash equivalents		1,110.0	1,580.2
Cash and cash equivalents at the beginning of the year		3,497.6	1,843.4
Effect of exchange rate changes		(18.8)	74.0
Cash and cash equivalents at the end of the year	38	4,588.8	3,497.6

The notes on pages 75 to 165 form an integral part of the financial statements.

# Notes to the Financial Statements

For the year ended 31st December 2021

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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, mining, construction & energy, agribusiness, infrastructure and logistics, information technology and property. The Company acts as an investment holding company and a provider of management services.

On 15th March 2022, 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 Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS") under the historical cost convention, except as disclosed in the accounting policies below.

SFRS(I) comprise standards and interpretations that are equivalent to IFRS. All references to SFRS(I) and IFRS are referred to collectively as "IFRS" in these financial statements, unless specified otherwise.

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 2.33.

#### Interpretations and amendments to published standards effective 2021

On 1st January 2021, the Group has adopted the new or amended IFRS and Interpretations of IFRS that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and Interpretations of IFRS.

The adoption of these new or amended IFRS and Interpretations of IFRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

*Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (effective from 1st January 2021)*

The amendments provide practical expedient from certain requirements under the IFRSs as a result of the reform which affect the measurement of financial assets, financial liabilities and lease liabilities, and a number of reliefs for hedging relationships. The Group applied the amendments from 1st January 2021 and there is no significant impact on the Group's consolidated financial statements.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 2 Significant Accounting Policies (continued)

### 2.1 Basis of Preparation (continued)

*COVID-19 Related Rent Concessions beyond 30th June 2021: Amendment to IFRS 16 Leases* (effective from 1st April 2021)

The Group adopted and applied the practical expedient of the *COVID-19 Related Rent Concessions: Amendment to IFRS 16 Leases*, published in June 2020 ('2020 amendment'), in the 2020 annual financial statements. The 2021 amendment extends the practical expedient in the 2020 amendment to eligible lease payments due on or before 30th June 2022. By using the 2021 amendment, the Group continues to apply the practical expedient consistently to all lease contracts with similar characteristics and in similar circumstances, and does not assess these concessions as lease modifications.

A number of new standards and amendments, which are effective for accounting periods beginning after 2021, have been published and will be adopted by the Group from their effective dates. An assessment of the impact of the standards and amendments, that are relevant or may have a material impact to the Group, is set out below.

*Amendment to IFRS 9: Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* (effective from 1st January 2022) clarifies the requirement to derecognise the original financial liability and recognise a new financial liability where there is an exchange between an existing borrower and lender of debt instrument with substantially different terms. The amendments clarifies that the terms are substantially different if the discounted present value of the cash flows under the new terms using the original effective interest rate, including any fees paid net of any fees received, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. The Group will apply the amendment from 1st January 2022, but it is not expected that the adoption will have a significant impact on the Group's consolidated financial statements.

*Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract* (effective from 1st January 2022) clarifies that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The Group will apply the amendment from 1st January 2022, but it is not expected that the adoption will have a significant impact on the Group's consolidated financial statements.

*IFRS 17 Insurance Contracts* (effective from 1st January 2023) will only have effect on the Group's insurance companies in Indonesia. The Group is assessing the potential impact on the Group's consolidated financial statements.

*Amendment to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (effective from 1st January 2023) requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts taxable and deductible temporary differences. They typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The Group is assessing the potential impact on the Group's consolidated financial statements.

## 2 Significant Accounting Policies (continued)

### 2.2 Consolidation

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

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

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

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

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

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

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

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

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

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 2 Significant Accounting Policies (continued)

### 2.3 Property, Plant and Equipment

Freehold properties comprised land and buildings. Freehold land is stated at cost less any impairment. No depreciation is provided on freehold land as it is deemed to have an indefinite life. Buildings on freehold and leasehold land 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 and gold 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 and gold 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.

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 <sup>1</sup> / <sub>3</sub> % – 50%
Plant and machinery	4% – 50%
Office furniture, fixtures and equipment	10% – 50%
Transportation equipment and motor vehicles	4% – 50%

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

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

### 2.4 Bearer Plants and Agricultural Produce

Bearer plants are stated at cost less any accumulated depreciation and impairment loss. The cost of bearer plants includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the development of immature bearer plants and an allocation of other indirect costs based on planted hectares. Bearer plants are considered mature within three to four years after planting and generating fresh fruit bunches which average four to six tonnes per hectare per year. Depreciation of mature bearer plants commences in the year when the bearer plants are mature using the straight-line method over the estimated useful life of 20 years.

Agricultural produce growing on bearer plants comprise oil palm fruits which are measured at fair value. Changes in fair value are recorded in the profit and loss account.

### 2.5 Investment Properties

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

## 2 Significant Accounting Policies (continued)

### 2.6 Intangible Assets

i) Goodwill

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

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

ii) Franchise rights

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

iii) Concession rights

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

iv) Customer acquisition costs

Customer acquisition costs which are directly related to insurance contracts, such as commissions, are capitalised and subsequently amortised over the lives of the contracts that range from 1 to 10 years.

v) Deferred exploration costs

Exploration costs are capitalised when the rights of tenure of a mining area are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area. Stripping costs incurred during the production phase are capitalised when there is improved access to the ore body in future periods. 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 that range from 1 to 10 years.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 2 Significant Accounting Policies (continued)

### 2.7 Impairment of Non-Financial Assets

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

### 2.8 Investments

The Group classifies its investments into the following measurement categories:

- i) those to be measured subsequently at fair value, either through other comprehensive income or through profit and loss; and
- ii) those to be measured at amortised cost.

The classification is based on the management's business model and their contractual cash flows characteristics.

Equity investments are measured at fair value with fair value gains and losses recognised in profit and loss, unless management has elected to recognise the fair value gains and losses through other comprehensive income. For equity investments measured at fair value through other comprehensive income, gains or losses realised upon disposal are not reclassified to profit and loss. Dividends from equity investments are recognised in profit and loss when the right to receive payments is established.

Debt investments that are held for collection of contractual cash flows and for sale, where the cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. On disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit and loss. Interest income calculated using the effective interest rate method is recognised in profit and loss.

Debt investments that are held for collection of contractual cash flows till maturity, where the cash flows represent solely payments of principal and interest, are measured at amortised cost. Any gain or loss arising on derecognition is recognised in profit and loss. Interest income calculated using the effective interest rate method is recognised in profit and loss.

At initial recognition, the Group measures an investment at its fair value. Transaction costs of financial assets carried at fair value through profit and loss are expensed in profit and loss. In the case of the investment not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the investment are capitalised.

Investments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group assesses on a forward-looking basis the expected credit losses associated with both types of debt instruments. They are considered "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Any impairment is recognised in profit and loss.

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 classified as non-current assets, unless in the case of debt investments with maturities less than 12 months after the balance sheet date, are classified as current assets.

## **2 Significant Accounting Policies (continued)**

### **2.9 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.

### **2.10 Properties for Sale**

Properties for sale, which comprise land and buildings held for resale, are stated at the lower of cost and net realisable value. The cost of properties for sale comprises land costs, construction and other development costs, and borrowing costs.

### **2.11 Stocks**

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

### **2.12 Debtors**

Financing and trade debtors are recognised initially at the amount of consideration that is unconditional and measured subsequently at amortised cost using the effective interest method. Finance lease receivables are shown as the finance lease receivables plus the guaranteed residual values at the end of the lease period, net of unearned finance lease income, security deposits and provision of doubtful receivables. A contract asset arises if the Group has a right to consideration in exchange for goods or services the Group has transferred to a customer, that is conditional on something other than the passage of time. Repossessed collateral of finance companies are measured at the lower of the carrying amount of the debtors in default and fair value less costs to sell. All other debtors, excluding derivative financial instruments, are measured at amortised cost except where the effect of discounting would be immaterial.

The Group assesses on a forward-looking basis using the three stages expected credit losses model on potential losses associated with its consumer financing debtors and financing lease receivables. The impairment measurement is subject to whether there has been a significant increase in credit risk. For trade debtors and contract assets, the Group applied the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the debtors. An allowance for impairment is established when there is objective evidence that the outstanding amounts will not be collected. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the debtor is impaired.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in arriving at operating profit. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited to profit and loss.

Debtors with maturities greater than 12 months after the balance sheet date are classified under non-current assets.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

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## 2 Significant Accounting Policies (continued)

### 2.13 Cash and Cash Equivalents

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

### 2.14 Borrowings

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

### 2.15 Provisions

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

- i) Warranty and goodwill expenses  
The Group recognises the estimated liability that falls due under the warranty terms offered on sale of new and used vehicles beyond that which is reimbursed by the manufacturer. The provision is calculated based on the past history of repairs.
- ii) Closure costs  
The Group recognises a provision for closure costs when legal or constructive obligations arise on closure or disposal of businesses.
- iii) Statutory employee entitlements  
The Group recognises a provision for statutory employee entitlements which are related to long service leave and service awards in Indonesia.

### 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 Significant Accounting Policies (continued)

### 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 period in which employees accrue benefits, in accordance with the advice of qualified actuaries, who carry out a full valuation of major plans every year. The pension obligations are measured as the present value of the estimated future cash outflows by reference to market yields on government bonds which have terms to maturity approximating the terms of the related liability. Plan assets are measured at fair value. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, and are recognised in other comprehensive income and accumulated under equity in the revenue reserve. Past service costs are recognised immediately in the profit and loss account.

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

#### ii) Share-based compensation

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

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

#### iii) Employee leave entitlements

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

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 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.

Translation differences on other investments measured at fair value through other comprehensive income are recognised in other comprehensive income as part of the gains and losses arising from changes in their fair value.

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\$1.3517 (2020: US\$1=S\$1.3216), US\$1=RM4.1735 (2020: US\$1=RM4.0245), US\$1=IDR14,269 (2020: US\$1=IDR14,105), US\$1=VND22,790 (2020: US\$1=VND23,086) and US\$1=THB33.318 (2020: US\$1=THB29.920).

The exchange rates used for translating the results for the year are US\$1=S\$1.3433 (2020: US\$1=S\$1.3771), US\$1=RM4.1485 (2020: US\$1=RM4.2022), US\$1=IDR14,345 (2020: US\$1=IDR14,647), US\$1=VND22,915 (2020: US\$1=VND23,247) and US\$1=THB32.118 (2020: US\$1=THB31.309).

## 2 Significant Accounting Policies (continued)

### 2.19 Revenue Recognition

i) Motor vehicles

Revenue from the sale of motor vehicles, including motorcycles, and rendering of aftersales services, is recognised through dealership structures. In instances where the contracts with customers include multiple deliverables, the separate performance obligations are identified. The transaction price, which is represented by the consideration fixed in the contract and net of discounts if any, is then allocated to each performance obligation based on their relative stand-alone selling prices. When a stand-alone selling price is not directly observable, it is estimated. Revenue from the sale of motor vehicles is recognised when control of the motor vehicles is transferred to the customer, which generally coincides with the point of delivery. Revenue from the aftersales services is recognised when the services are rendered. In instances where payments are received in advance from customers but there are unfulfilled aftersales services obligations by the Group, a contract liability is recognised for which revenue is subsequently recognised over time as the services are rendered.

ii) Financial services

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, using the effective interest method. Revenue from insurance premiums is recognised 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.

iii) Heavy equipment, mining, construction & energy

Heavy equipment

Revenue from heavy equipment includes sale of heavy equipment and rendering of maintenance services. In instances where the contracts with customers include multiple deliverables, the separate performance obligations are identified and generally referred as sale of heavy equipment and rendering of maintenance services. The transaction price, which is represented by the consideration fixed in the contract and net of discounts if any, is then allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from the sale of heavy equipment is recognised when control of the heavy equipment is transferred to the customer, which generally coincides with the point of delivery. Payments from customers for maintenance services are received in advance and recognised as a contract liability. Revenue from the maintenance services is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be reported, as soon as it can be estimated reliably. The stage of completion is measured by reference to cost incurred to date compared to estimated total costs for each contract.

Mining

Revenue from mining includes contract mining services and through the Group's own production. The performance obligations identified under contract mining services relate to the extraction of mining products and removal of overburden on behalf of the customers. Revenue is recognised when the services are rendered by reference to the volume of mining products extracted and overburden removed at contracted rates, and payment is due upon delivery. Revenue from its own mining production is recognised when control of the output is transferred to the customer, which generally coincides with the point of delivery.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 2 Significant Accounting Policies (continued)

### 2.19 Revenue Recognition (continued)

- iii) Heavy equipment, mining, construction & energy (continued)

#### Construction

Revenue from construction includes contracts to provide construction and foundation services for building, civil and maritime works. Under the contracts, the Group's construction activities creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, and hence revenue is recognised over time by reference to the progress towards completing the construction works. Under this method, the revenue recognised is based on the latest estimate of the total value of the contract and actual completion rate determined by reference to the physical state of progress of the works.

Claims and liquidated damages are accounted for as variable consideration and are included in contract revenue provided that it is highly probable that a significant reversal will not occur in the future.

- iv) Property

#### Properties for sale

Revenue from properties for sale is recognised when or as the control of the property is transferred to the customer. Revenue consists of the fair value of the consideration received and receivable, net of value added tax, rebates and discounts. Proceeds received in advance for pre-sale are recorded as contract liabilities. Depending on the terms of the contract and the laws that apply to the contract, control of the property may transfer over time or at a point in time.

If control of the property transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the property.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For properties for sale under development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

#### Investment properties

Rental income from investment properties are accounted for on an accrual basis over the lease terms.

### 2.20 Government Grants

Grants from government are recognised at their fair values where there is reasonable assurance that the grants will be received, and the Group will comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred are recognised in the profit and loss as other income on a systematic basis in the period in which the expenses are recognised. Unconditional grants are recognised in the profit and loss as other income when they become receivable.

Grants related to assets are deducted in arriving at the carrying value of the related assets.

## 2 Significant Accounting Policies (continued)

### 2.21 Tax

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

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

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

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

### 2.22 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease contracts may contain lease and non-lease components. The Group allocates the consideration in the contract to lease and non-lease component based on their relative stand-alone prices. For property leases where the Group is a lessee, it has elected not to separate lease and immaterial non-lease components and accounts for these items as a single lease component.

(i) As a lessee

The Group enters into property leases for use as retail stores and offices, as well as leases for plant and machinery and motor vehicles for use in its operations.

The Group recognises right-of-use assets and lease liabilities at the lease commencement dates, that is the dates the underlying assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes amounts of the initial measurement of lease liabilities recognised, lease payments made at or before the commencement dates less any lease incentives received, initial direct costs incurred and restoration costs. Right-of-use assets are depreciated using the straight-line method over the shorter of their estimated useful lives and the lease terms.

When right-of-use assets meet the definition of investment properties, they are presented in investment properties, and are initially measured at cost and subsequently measured at fair value, in accordance with the Group's accounting policy.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 2 Significant Accounting Policies (continued)

### 2.22 Leases (continued)

#### (i) As a lessee (continued)

The Group also has interests in leasehold land for use in its operations. Lump sum payments were made upfront to acquire these land interests from their previous registered owners or governments in the jurisdictions where the land is located. There are no ongoing payments to be made under the term of the land leases, other than insignificant lease renewal costs or payments based on rateable value set by the relevant government authorities. These payments are stated at cost and are amortised over the term of the lease which includes the renewal period if the lease can be renewed by the Group without significant cost.

Lease liabilities are measured at the present value of lease payments to be made over the lease terms. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating a lease, if the lease term reflects the Group exercising that option. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Lease liabilities are measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased by the interest costs on the lease liabilities and decreased by lease payments made.

The carrying amount of lease liabilities is remeasured when there is a change in the lease term, or there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise an extension or a termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets (i.e. US\$5,000 or less) and short-term leases. Low-value assets comprised IT equipment and small items of office furniture. Short-term leases are leases with a lease term of 12 months or less. Lease payments associated with these leases are recognised on a straight-line basis as an expense in profit and loss over the lease term.

Lease liabilities are classified as non-current liabilities unless payments are within 12 months from the balance sheet date.

#### (ii) As a lessor

The Group enters into contracts with lease components as a lessor primarily on its investment properties. These leases are operating leases as they do not transfer the risk and rewards incidental to the underlying investment properties. The Group recognises the lease payments received under these operating leases on a straight-line basis over the lease term as part of revenue in the profit and loss.

### 2.23 Non-current Assets held for Sale

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

## **2 Significant Accounting Policies (continued)**

### **2.24 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.

### **2.25 Financial Guarantee Contracts**

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

### **2.26 Offsetting Financial Instruments**

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

### **2.27 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 investment properties, agricultural produce and equity investments which are measured at fair value through profit and loss; gains and losses arising from sale of businesses, investments and properties; impairment of non-depreciable intangible assets, associates and joint ventures 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.

### **2.28 Derivative Financial Instruments**

The Group only enters into derivative financial instruments in order to hedge underlying exposures and not as speculative investments. Derivative financial instruments are initially recognised in the balance sheet at fair value on the date a derivative contract is entered into and subsequently remeasured at their fair values. The method of recognising the resulting gain or loss is dependent on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. On the date a derivative contract is entered into, the Group designates certain derivatives as either a hedge of the fair value of a recognised asset or liability (fair value hedge), a hedge of a forecasted transaction or of the foreign currency risk on a firm commitment (cash flow hedge) or a hedge of a net investment in a foreign entity.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 2 Significant Accounting Policies (continued)

### 2.28 Derivative Financial Instruments (continued)

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 effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the profit and loss account within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the profit and loss account. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria of hedge accounting, the cumulative adjustment to the carrying amount of a hedged item, for which the effective interest method is used, is amortised to the profit and loss account over the residual period to maturity.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that are highly effective, are recognised in other comprehensive income and accumulated in equity under the hedging reserve. Changes in the fair value relating to the ineffective portion are recognised immediately in the profit and loss account. Where the hedged item results in the recognition of a non-financial asset or of a non-financial liability, the deferred gains and losses are included in the initial measurement of the cost of the asset or liability. The deferred amounts are ultimately recognised in the profit and loss account as the hedged item affects profit and loss. Otherwise, amounts deferred in equity are transferred to the profit and loss account in the same periods during which the hedged firm commitment or forecasted transaction affects the profit and loss account. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit and loss within finance cost at the same time as the interest expense on the hedged borrowings. 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 IFRS 9. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IFRS 9 are recognised immediately in the profit and loss account.

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

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

### 2.29 Segment Reporting

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

### 2.30 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)

### 2.31 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.

### 2.32 Financial Risk Management

#### i) Financial risk factors

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

The Group co-ordinates, under the directions of the directors, financial risk management policies and their implementation on a group-wide basis. The Group's treasury policies are designed to manage the financial impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. The Group uses derivative financial instruments, principally interest rate swaps, caps and collars, cross-currency swaps, forward foreign exchange contracts, forward currency options and commodity forward contracts, options and zero collar as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies. Financial derivative contracts are executed between third party banks and the Group entity that is directly exposed to the risk being hedged. Hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. The effective portion of the change in the fair value of the hedging instrument is deferred into the cash flow hedge reserve through other comprehensive income and will be recognised in profit and loss when the hedged item affects profit and loss. In general, the volatility in profit and loss can be reduced by applying hedge accounting.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. The Group assesses whether the derivative designated in each hedging relationship has been and expected to be effective in offsetting changes in cash flow of the hedged item using the hypothetical derivative method.

Ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated for hedges of foreign currency purchases, or if there are changes in the credit risk of the Group or the derivative counterparty.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, effective economic relationship existed between the swaps and the loans.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to: (i) the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan; (ii) differences in critical terms between the interest rate swaps and loans; and (iii) the effects of the forthcoming reforms to IBOR, because these might take effect at a different time and have a different impact on the hedged item (the floating-rate debt) and the hedging instrument (the interest rate swap used to hedge the debt). The ineffectiveness during 2021 or 2020 in relation to interest rate swaps and other hedges was not material.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 2 Significant Accounting Policies (continued)

### 2.32 Financial Risk Management (continued)

- i) Financial risk factors (continued)
  - a) Market risk

#### Foreign exchange risk

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

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

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. At 31st December 2021, the Group's Indonesian Rupiah functional currency entities had United States Dollar denominated net monetary assets of US\$85.9 million (2020: net monetary liabilities of US\$189.1 million). At 31st December 2021, 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 Group would have been US\$3.2 million higher/lower (2020: US\$2.6 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 2021 that are denominated in a non-functional currency other than the cross-currency swap contracts with contract amounts of US\$2,052.4 million (2020: US\$2,599.0 million) and the United States Dollar denominated net monetary liabilities of the Company as described below. 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.

At 31st December 2021, the Company had United States Dollar denominated net monetary liabilities of US\$1,234.9 million (2020: US\$1,256.8 million). At 31st December 2021, if the United States Dollar had strengthened/weakened by 10% against the Singapore Dollar with all other variables held constant, the profit attributable to shareholders of the Company would have been US\$123.5 million lower/higher (2020: US\$125.6 million), arising mainly from foreign exchange losses/gains taken to the profit and loss account on translation.

## 2 Significant Accounting Policies (continued)

### 2.32 Financial Risk Management (continued)

- i) Financial risk factors (continued)
  - a) Market risk (continued)

#### Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of interest rate swaps, caps and collars. The Group monitors interest rate exposure on a monthly basis by currency and business unit, taking into consideration proposed financing and hedging arrangements. The Group's guideline is to maintain 40% – 60% of its gross borrowings, exclusive of the financial services companies, in fixed rate instruments. The financial services companies borrow predominantly at a fixed rate. The interest rate profile of the Group's borrowings after taking into account hedging transactions are set out in Note 26.

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. Details of interest rate swaps and cross-currency swaps are set out in Note 35.

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

At 31st December 2021, 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\$16.4 million (2020: US\$7.6 million) higher/lower and the hedging reserve would have been US\$37.4 million (2020: US\$38.6 million) higher/lower as a result of fair value changes to cash flow hedges. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. There is no significant variation in the sensitivity analysis as a result of interest rate caps and collars. The 100 basis point increase or decrease represents management's assessment of a reasonable possible change in those interest rates, specifically the Indonesian rates, which have the most impact on the Group over the period until the next annual balance sheet date. In the case of effective fair value hedges, changes in fair value of the hedged items caused by interest rate movements balance out in the profit and loss account against changes in the fair value of the hedging instruments. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of profit after tax sensitivities. Changes in market interest rates of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserves and are therefore taken into consideration in the equity-related sensitivity calculations.

At 31st December 2021, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Company's profit after tax would have been US\$10.3 million (2020: US\$15.3 million) lower/higher.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 2 Significant Accounting Policies (continued)

### 2.32 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 its equity investments which are measured at fair value through profit and loss and debt investments which are measured at fair value through other comprehensive income. Gains and losses arising from changes in the fair value of these investments are recognised in profit and loss or other comprehensive income according to their classification. The performances of these investments are monitored regularly, together with a regular assessment of their relevance to the Group's long-term strategic plans. Details of these investments are contained in Note 17.

The Group's interest in these investments are unhedged. At 31st December 2021, if the price of the Group's investments had been 30% higher/lower with all other variables held constant, total equity would have been US\$657.9 million (2020: US\$675.1 million) higher/lower, of which US\$434.6 million (2020: US\$475.4 million) relating to equity investments would be reflected in operating profit as non-trading items. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

At 31st December 2021, if the price of the Company's equity investment had been 30% higher/lower with all other variables held constant, the Company's profit after tax would have been US\$79.3 million (2020: US\$66.9 million) higher/lower.

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

- b) Credit risk

The Group's credit risk is primarily attributable to deposits with banks, contractual cash flows of debt investments carried at amortised cost and those measured at fair value through other comprehensive income, credit exposures to customers and derivative financial instruments with a positive fair value. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group manages its deposits with banks and financial institutions and transactions involving derivative financial instruments by monitoring credit ratings and capital adequacy ratios of counterparties, limiting the aggregate risk to any individual counterparty. The utilisation of credit limits is regularly monitored. At 31st December 2021, deposits with banks and financial institutions amounted to US\$4,581.8 million (2020: US\$3,490.0 million) of which 11% (2020: 12%) were made to financial institutions with credit ratings of no less than A- (Fitch). This is because in Indonesia, it may be necessary to deposit money with banks that have a lower credit rating. However, the Group only enters into derivative transactions with counterparties which have credit ratings of at least investment grade. Management does not expect any counterparty to fail to meet its obligations.

The Company does not have significant deposits made to financial institutions with credit rating no less than A- (Fitch).

## 2 Significant Accounting Policies (continued)

### 2.32 Financial Risk Management (continued)

- i) Financial risk factors (continued)
- b) Credit risk (continued)

The Group's debt investments are considered to be low risk investments. The investments are monitored for credit deterioration based on credit ratings from major rating agencies.

In respect of credit exposures to customers, the Group has policies in place to ensure that sales on credit without collateral are made principally to corporate companies with an appropriate credit history and credit insurance is purchased for businesses where it is economically effective. The Group normally obtains collateral over motor vehicles and motorcycles from consumer financing debtors towards settlement of receivables.

Customers give the right to the Group to sell the collateral vehicles or take any other action to settle the outstanding receivable. Sales to other customers are made in cash or by major credit cards.

For lease receivables, the Group provides financing to its leasing customers based on applicable rules and company policies which are reviewed periodically.

The maximum exposure to credit risk of the Group and the Company are 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 21. The Group's exposure to credit risk arising from deposits and balances with banks and financial institutions is set out in Note 22.

- 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.

The Group's total available committed and uncommitted borrowing facilities at 31st December 2021 amounted to US\$12,046.8 million (2020: US\$11,808.2 million) of which US\$6,560.2 million (2020: US\$7,125.0 million) was drawn down. Of the committed facilities, US\$2,385.0 million which are referenced to US\$ LIBOR will expire beyond 30th June 2023, the cessation date of US\$ LIBOR. Undrawn committed facilities, in the form of revolving credit and term loan facilities, totalled US\$2,412.1 million (2020: US\$2,883.7 million).

As at 31st December 2021, the Company has long-term borrowings of US\$1,535.9 million (2020: nil) and current borrowings of US\$10.0 million (2020: US\$1,569.1 million). The Company manages its liquidity risk mainly by extending the maturity of its borrowing facilities and obtaining additional borrowing facilities as appropriate.

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

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 2 Significant Accounting Policies (continued)

### 2.32 Financial Risk Management (continued)

- i) Financial risk factors (continued)
- c) Liquidity risk (continued)

	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
<b>2021</b>							
Borrowings	2,926.8	1,960.8	1,798.8	130.7	88.4	175.4	7,080.9
Lease liabilities	57.2	31.9	14.9	2.2	0.9	30.3	137.4
Creditors	3,073.3	2.4	2.0	2.6	3.4	0.5	3,084.2
Gross settled derivative financial instruments							
– inflow	928.7	717.3	407.5	92.0	27.9	–	2,173.4
– outflow	709.2	758.8	276.1	94.5	28.8	–	1,867.4
Estimated claims on insurance contracts	251.9	–	–	–	–	–	251.9
<b>2020</b>							
Borrowings	4,454.7	1,817.4	919.6	304.8	89.1	122.1	7,707.7
Lease liabilities	69.0	37.1	16.8	5.5	2.8	34.2	165.4
Creditors	2,230.6	–	0.1	1.5	2.4	6.9	2,241.5
Gross settled derivative financial instruments							
– inflow	1,359.4	748.6	415.4	165.3	50.3	–	2,739.0
– outflow	1,465.2	806.9	439.3	177.3	51.0	–	2,939.7
Estimated claims on insurance contracts	230.2	–	–	–	–	–	230.2

Included in total undiscounted borrowings at 31st December 2021, US\$1,365.0 million (2020: US\$3,555.5 million) are referenced to US\$ LIBOR and mature beyond 30th June 2023, the cessation date of US\$ LIBOR.

As at 31st December 2021, the Company has undiscounted borrowings of US\$613.8 million that are referenced to US\$ LIBOR and mature beyond 30th June 2023, the cessation date of US\$ LIBOR.

- ii) Capital management

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

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

## 2 Significant Accounting Policies (continued)

### 2.32 Financial Risk Management (continued)

#### ii) Capital management (continued)

The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover before taking into account the impact of IFRS 16 *Leases*. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less bank balances and other liquid funds. Interest cover is calculated as underlying operating profit, before the deduction of amortisation/depreciation of right-of-use assets, net of actual lease payments, and share of results of associates and joint ventures divided by net financing charges excluding interest on lease liabilities. The relevant ratios are monitored both inclusive and exclusive of the Group's financial services companies, which by their nature are generally more leveraged than the Group's other businesses. The Group does not have a defined gearing or interest cover benchmark or range.

The financing activities of PT Astra International Tbk ("Astra") are subject to a minimum paid-up capital requirement of Rp2,000 billion (2020: Rp1,700 billion), in aggregate. The insurance activities of Astra are subject to a minimum solvency ratio of 120% calculated in accordance with requirements set out by the Ministry of Finance in Indonesia, and a minimum paid-up capital requirement of Rp100 billion (2020: Rp100 billion), in aggregate.

The Group and the Company had complied with all externally imposed capital requirements throughout the reporting period.

The gearing ratios of the Group at 31st December 2021 and 2020 were as follows:

	2021	2020
Gearing ratio excluding financial services companies	nm	6%
Gearing ratio including financial services companies	12%	24%
Interest cover excluding financial services companies	38 times	8 times
Interest cover including financial services companies	59 times	11 times

nm – not meaningful

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

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

The fair values of other unlisted equity investments are 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 or discounted cash flows by projecting the cash inflows from these investments. There were no changes in valuation techniques during the year.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 2 Significant Accounting Policies (continued)

### 2.32 Financial Risk Management (continued)

#### iii) Fair value estimation (continued)

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

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

	Quoted prices in active markets US\$m	Observable current market transactions US\$m	Unobservable inputs US\$m	Total US\$m
<b>2021</b>				
<b>Assets</b>				
Other investments				
– equity investments	1,136.7	–	387.8	1,524.5
– debt investments	776.4	–	–	776.4
	1,913.1	–	387.8	2,300.9
Derivative financial instruments at fair value				
– through other comprehensive income	–	15.7	–	15.7
– through profit and loss	–	0.6	–	0.6
	1,913.1	16.3	387.8	2,317.2
<b>Liabilities</b>				
Contingent consideration payable	–	–	(8.8)	(8.8)
Derivative financial instruments at fair value				
– through other comprehensive income	–	(54.9)	–	(54.9)
– through profit and loss	–	(0.1)	–	(0.1)
	–	(55.0)	–	(55.0)
	–	(55.0)	(8.8)	(63.8)
<b>2020</b>				
<b>Assets</b>				
Other investments				
– equity investments	1,320.7	–	326.3	1,647.0
– debt investments	697.3	–	–	697.3
	2,018.0	–	326.3	2,344.3
Derivative financial instruments at fair value				
– through other comprehensive income	–	9.3	–	9.3
– through profit and loss	–	1.6	–	1.6
	2,018.0	10.9	326.3	2,355.2
<b>Liabilities</b>				
Contingent consideration payable	–	–	(8.8)	(8.8)
Derivative financial instruments at fair value				
– through other comprehensive income	–	(168.7)	–	(168.7)
– through profit and loss	–	(0.1)	–	(0.1)
	–	(168.8)	–	(168.8)
	–	(168.8)	(8.8)	(177.6)

As at 31st December 2021, the fair value of the equity investment of the Company is US\$264.5 million (2020: US\$223.0 million), which is based on quoted prices in active markets at balance sheet date.

There were no transfers among the three categories during the year ended 31st December 2021 and 2020.

## 2 Significant Accounting Policies (continued)

### 2.32 Financial Risk Management (continued)

#### iii) Fair value estimation (continued)

##### b) Financial instruments that are not measured at fair value

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

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

The table below analyses financial instruments of the Group by category.

	Fair value of hedging instruments US\$m	Fair value through profit and loss US\$m	Fair value through other comprehensive income US\$m	Financial assets at amortised costs US\$m	Other financial liabilities US\$m	Total carrying amount US\$m	Fair value US\$m
<b>2021</b>							
<i>Financial assets measured at fair value</i>							
Other investments							
– equity investments	–	1,524.5	–	–	–	1,524.5	1,524.5
– debt investments	–	–	776.4	–	–	776.4	776.4
Derivative financial instruments	15.7	0.6	–	–	–	16.3	16.3
	15.7	1,525.1	776.4	–	–	2,317.2	2,317.2
<i>Financial assets not measured at fair value</i>							
Debtors	–	–	–	7,091.7	–	7,091.7	7,153.3
Bank balances and other liquid funds	–	–	–	4,588.8	–	4,588.8	4,588.8
	–	–	–	11,680.5	–	11,680.5	11,742.1
<i>Financial liabilities measured at fair value</i>							
Derivative financial instruments	(54.9)	(0.1)	–	–	–	(55.0)	(55.0)
Contingent consideration payable	–	(8.8)	–	–	–	(8.8)	(8.8)
	(54.9)	(8.9)	–	–	–	(63.8)	(63.8)
<i>Financial liabilities not measured at fair value</i>							
Borrowings excluding lease liabilities	–	–	–	–	(6,560.2)	(6,560.2)	(6,589.3)
Lease liabilities	–	–	–	–	(117.0)	(117.0)	(117.0)
Creditors excluding non-financial liabilities	–	–	–	–	(3,075.4)	(3,075.4)	(3,075.4)
	–	–	–	–	(9,752.6)	(9,752.6)	(9,781.7)

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 2 Significant Accounting Policies (continued)

### 2.32 Financial Risk Management (continued)

iii) Fair value estimation (continued)

b) Financial instruments that are not measured at fair value (continued)

	Fair value of hedging instruments US\$m	Fair value through profit and loss US\$m	Fair value through other comprehensive income US\$m	Financial assets at amortised costs US\$m	Other financial liabilities US\$m	Total carrying amount US\$m	Fair value US\$m
<b>2020</b>							
<i>Financial assets measured at fair value</i>							
Other investments							
– equity investments	–	1,647.0	–	–	–	1,647.0	1,647.0
– debt investments	–	–	697.3	–	–	697.3	697.3
Derivative financial instruments	9.3	1.6	–	–	–	10.9	10.9
	9.3	1,648.6	697.3	–	–	2,355.2	2,355.2
<i>Financial assets not measured at fair value</i>							
Debtors	–	–	–	6,621.3	–	6,621.3	6,832.5
Bank balances and other liquid funds	–	–	–	3,497.6	–	3,497.6	3,497.6
	–	–	–	10,118.9	–	10,118.9	10,330.1
<i>Financial liabilities measured at fair value</i>							
Derivative financial instruments	(168.7)	(0.1)	–	–	–	(168.8)	(168.8)
Contingent consideration payable	–	(8.8)	–	–	–	(8.8)	(8.8)
	(168.7)	(8.9)	–	–	–	(177.6)	(177.6)
<i>Financial liabilities not measured at fair value</i>							
Borrowings excluding lease liabilities	–	–	–	–	(7,125.0)	(7,125.0)	(7,107.5)
Lease liabilities	–	–	–	–	(144.9)	(144.9)	(144.9)
Creditors excluding non-financial liabilities	–	–	–	–	(2,232.7)	(2,232.7)	(2,232.7)
	–	–	–	–	(9,502.6)	(9,502.6)	(9,485.1)

The following table contains details of financial instruments of the Group at 31st December 2021 which are referenced to IBOR with maturities/expiration beyond the cessation of the respective benchmarks:

	2021 US\$m
Financial instruments measured at amortised cost:	
Non-current debtors	
– US\$ LIBOR	29.4
Long-term borrowings	
– US\$ LIBOR	(1,246.1)
Other financial instruments:	
Derivative financial instruments	
– US\$ LIBOR	(26.4)

## 2 Significant Accounting Policies (continued)

### 2.33 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 according to circumstances and conditions available. The existing and potential impacts arising from the COVID-19 pandemic have been considered when applying estimates and assumptions in the preparation of the financial statements, including the Group's assessment of impairment of assets and the independent valuers' valuation of the Group's investment properties. Given the uncertainty of the impact of COVID-19, the actual results may differ from these accounting estimates. The estimates and assumptions that have a significant effect on the reported amounts of assets and liabilities, and income and expenses 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, concession rights, certain property, plant and equipment and right-of-use assets, investment properties and bearer plants are determined by independent, professionally qualified valuers by reference to comparable market prices or present value of expected net cash flows from the assets. Any changes in the assumptions used and estimates made in determining the fair values, and management's ability to measure reliably the contingent liabilities of the acquired entity will impact the carrying amount of these assets and liabilities.

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

- ii) 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 and gold 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 2021 on the Group's indefinite-life franchise rights indicated that no impairment charge was necessary. If there is a significant increase in the discount rate and/or a significant adverse change to the projected performance of the business to which these rights attach, it may be necessary to take an impairment charge to the profit and loss account in the future.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 2 Significant Accounting Policies (continued)

### 2.33 Critical Accounting Estimates and Judgements (continued)

#### ii) Impairment of assets (continued)

Management undertook an impairment assessment on the basis that the carrying amount of the investment in Siam City Cement Public Company Limited ("SCCC") as at 31st December 2021 was higher than its fair value based on prevailing market share price, as well as the heightened market uncertainties brought about by the COVID-19 pandemic. The determination of the recoverable amount requires significant judgements by management, particularly management's view on key internal inputs and external market conditions including climate-related and other risks which impact future cash flows, discount rates and long-term growth rates. Based on management's assessment, as the recoverable amount determined using value-in-use computation was higher than the carrying amount of the investment, no impairment charge was recognised. If there are significant changes to the above estimates, it may be necessary to take an additional impairment charge to the profit and loss account in the future. The sensitivity of carrying amount to key assumptions and estimates is disclosed in Note 16.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the balance sheet date, including the impact of the COVID-19 pandemic. The allowance for impairment for financing debtors and trade and other debtors are disclosed in Note 20 and 21, respectively.

#### iii) 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.

#### iv) Pension obligations

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

## 2 Significant Accounting Policies (continued)

### 2.33 Critical Accounting Estimates and Judgements (continued)

iv) Pension obligations (continued)

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

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

v) Revenue recognition

For revenue from the heavy equipment maintenance contracts, the Group exercises judgment in determining the level of actual service provided to the end of the reporting period as a proportion of the total services to be reported, and estimated total costs of the maintenance contracts. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognised as a current year expense.

For other contracts with customers which include multiple deliverables, the separate performance obligations are identified. The transaction price is then allocated to each performance obligation based on their stand-alone selling prices. From time to time, when a stand-alone selling price may not be directly observable, the Group estimated the selling price using expected costs of rendering such services and adding an appropriate margin.

vi) Non-trading items

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

vii) Leases

Liabilities and the corresponding right-of-use assets arising from leases are initially measured at the present value of the lease payments at the commencement date, discounted using the interest rates implicit in the leases, or if that rate cannot be readily determinable, the Group uses the incremental borrowing rate. The Group generally uses the incremental borrowing rate as the discount rate.

The Group applies the incremental borrowing rate with reference to the rate of interest that the Group would have to pay to borrow, over a similar term as that of the lease, the funds necessary to obtain an asset of a similar value to the right-of-use asset in the country where it is located.

Lease payments to be made during the lease term will be included in the measurement of a lease liability. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, the Group considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew. The assessment of whether the Group is reasonably certain to exercise the options impacts the lease terms, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 2 Significant Accounting Policies (continued)

### 2.33 Critical Accounting Estimates and Judgements (continued)

#### viii) Interest rate benchmark reform

Following the financial crisis, the reform and replacement of benchmark interest rates such as US\$ LIBOR and other interbank offered rates ("IBORs") has become a priority for global regulators. There is currently uncertainty around the timing and precise nature of these changes on some IBORs.

To transition existing contracts and agreements that reference IBORs (including US\$ LIBOR) to risk free rates ("RFRs") such as US\$ LIBOR to Secured Overnight Financing Rate, adjustments for term differences and credit differences might need to be applied to RFRs, to enable the two benchmark rates to be economically equivalent on transition. The greatest change will be amendments to the contractual terms of the IBORs-referenced floating-rate debt and the associated swap and the corresponding update of the hedge designation. However, the changed reference rate may also affect other systems, processes, risk and valuation models, as well as having tax and accounting implications.

The Group's IBORs transition plan has progressed throughout 2021. All material contracts referencing the Singapore Swap Offer Rate had been transitioned in 2021. US\$ LIBOR is expected to cease on 30th June 2023, and the Group's transition plan is on track to ensure conversion of existing US\$ LIBOR contracts by the date of cessation.

#### *Relief applied*

The Group has applied the following reliefs that were introduced by the amendments made to IFRS 9 *Financial Instruments* in September 2019 and August 2020:

- i. When considering the 'highly probable' requirement, the Group has assumed that the IBORs interest rate on which the Group's hedged debt is based does not change as a result of IBOR reform.
- ii. In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the IBORs interest rate on which the cash flows of the hedged debt and the interest rate swap that hedges it is not altered by IBORs reform.
- iii. The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.
- iv. For financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised.

#### *Assumptions made*

In calculating the change in fair value attributable to the hedged risk of floating-rate debt, the Group has made the following assumptions that reflect its current expectations:

- i. The IBORs-referenced floating-rate debt will move to RFRs during 2023 and the spread will be similar to the spread included in the interest rate swap and cross-currency swap used as the hedging instrument.
- ii. No other changes to the terms of the floating-rate debt are anticipated.

### 3 Revenue

	Astra US\$m	Direct Motor Interests US\$m	Total US\$m
<b>Group</b>			
<b>2021</b>			
Property	56.6	–	56.6
Motor vehicles	6,642.0	1,402.5	8,044.5
Financial services	1,735.2	–	1,735.2
Heavy equipment, mining, construction & energy	5,524.4	–	5,524.4
Other	2,327.3	–	2,327.3
	<b>16,285.5</b>	<b>1,402.5</b>	<b>17,688.0</b>
<i>From contracts with customers:</i>			
Recognised at a point in time	14,072.9	1,336.4	15,409.3
Recognised over time	245.5	63.8	309.3
	<b>14,318.4</b>	<b>1,400.2</b>	<b>15,718.6</b>
<i>From other sources:</i>			
Rental income from investment properties	11.9	–	11.9
Revenue from financial services companies	1,735.2	–	1,735.2
Other	220.0	2.3	222.3
	<b>1,967.1</b>	<b>2.3</b>	<b>1,969.4</b>
	<b>16,285.5</b>	<b>1,402.5</b>	<b>17,688.0</b>
<b>2020</b>			
Property	51.9	–	51.9
Motor vehicles	4,555.5	1,269.4	5,824.9
Financial services	1,382.4	–	1,382.4
Heavy equipment, mining, construction & energy	4,106.7	–	4,106.7
Other	1,868.3	–	1,868.3
	<b>11,964.8</b>	<b>1,269.4</b>	<b>13,234.2</b>
<i>From contracts with customers:</i>			
Recognised at a point in time	10,171.6	1,205.6	11,377.2
Recognised over time	211.7	62.3	274.0
	<b>10,383.3</b>	<b>1,267.9</b>	<b>11,651.2</b>
<i>From other sources:</i>			
Rental income from investment properties	9.7	–	9.7
Revenue from financial services companies	1,382.4	–	1,382.4
Other	189.4	1.5	190.9
	<b>1,581.5</b>	<b>1.5</b>	<b>1,583.0</b>
	<b>11,964.8</b>	<b>1,269.4</b>	<b>13,234.2</b>
		<b>2021 US\$m</b>	<b>2020 US\$m</b>
<b>Company</b>			
Rendering of services		2.5	1.3
Dividends		243.4	316.3
		<b>245.9</b>	<b>317.6</b>

The Company's revenue arising from contracts with customers recognised over time is US\$2.5 million (2020: US\$1.3 million) and from other sources is US\$243.4 million (2020: US\$316.3 million).

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 3 Revenue (continued)

### Contract balances

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed, and are transferred to receivables when the rights become unconditional which usually occurs when the customers are billed.

Costs to fulfil contracts include costs recognised to fulfil future performance obligations on existing contracts that have not yet been satisfied. Costs to obtain contracts include costs such as sales commission and stamp duty paid, as a result of obtaining contracts. The Group has capitalised these costs and recognised in profit and loss when the related revenue is recognised.

Contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised over time.

Contract assets and contract liabilities of the Group are further analysed as follows:

	2021 US\$m	2020 US\$m
Contract assets (Note 21)		
– heavy equipment, mining, construction & energy	92.1	103.0
– other	15.4	20.0
	107.5	123.0
Less: Allowance for impairment	(64.5)	(46.1)
	43.0	76.9
Contract liabilities (Note 23)		
– properties for sale	42.6	40.2
– motor vehicles	330.2	297.1
– heavy equipment, mining, construction & energy	71.0	55.7
– other	48.2	28.1
	492.0	421.1

### Revenue recognised in relation to contract liabilities

Revenue of the Group recognised in the current year relating to carried-forward contract liabilities:

	2021 US\$m	2020 US\$m
Properties for sale	17.3	34.0
Motor vehicles	176.5	174.9
Heavy equipment, mining, construction & energy	41.4	58.1
Other	14.7	11.9
	249.9	278.9

### 3 Revenue (continued)

#### Revenue expected to be recognised on unsatisfied contracts with customers

Timing of revenue of the Group to be recognised on unsatisfied performance obligations:

	Properties for sale US\$m	Motor Vehicles US\$m	Heavy equipment, mining, construction & energy US\$m	Other US\$m	Total US\$m
<b>2021</b>					
Within one year	63.9	116.9	70.6	38.2	289.6
Between one and two years	25.1	48.2	9.6	11.2	94.1
Between two and three years	21.4	26.3	0.8	–	48.5
Between three and four years	0.3	9.5	0.1	–	9.9
Between four and five years	–	4.4	–	–	4.4
	<b>110.7</b>	<b>205.3</b>	<b>81.1</b>	<b>49.4</b>	<b>446.5</b>
<b>2020</b>					
Within one year	41.4	125.3	99.8	12.8	279.3
Between one and two years	56.1	49.2	81.2	23.1	209.6
Between two and three years	8.7	27.9	0.6	–	37.2
Between three and four years	0.6	12.7	0.1	–	13.4
Between four and five years	0.3	4.0	–	–	4.3
	<b>107.1</b>	<b>219.1</b>	<b>181.7</b>	<b>35.9</b>	<b>543.8</b>

As permitted under *IFRS 15 Revenue from Contracts with Customers*, the revenue expected to be recognised in the next reporting periods arising from unsatisfied performance obligations for contracts that have original expected durations of one year or less is not disclosed.

### 4 Net Operating Costs

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Cost of sales and services rendered	(13,922.9)	(10,419.0)	–	–
Other operating income	244.3	827.2	53.9	43.2
Selling and distribution expenses	(867.8)	(933.8)	–	–
Administrative expenses	(1,144.2)	(1,065.2)	(25.3)	(24.2)
Other operating expenses	(302.1)	(126.2)	(28.0)	(187.3)
	<b>(15,992.7)</b>	<b>(11,717.0)</b>	<b>0.6</b>	<b>(168.3)</b>

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 4 Net Operating Costs (continued)

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
The following credits/(charges) are included in net operating costs:				
Amortisation/depreciation of:				
– intangible assets (Note 10)	(151.8)	(126.7)	–	–
– right-of-use assets (Note 11)	(149.7)	(189.7)	–	–
– property, plant and equipment (Note 12)	(735.0)	(763.0)	(0.9)	(1.0)
– bearer plants (Note 14)	(27.3)	(26.7)	–	–
Impairment of:				
– intangible assets (Note 10)	(13.9)	(33.9)	–	–
– right-of-use assets (Note 11)	(2.0)	–	–	–
– property, plant and equipment (Note 12)	(37.7)	(9.4)	–	–
– associates (Note 16) <sup>(1)</sup>	–	–	–	(187.3)
– financing debtors (Note 20)	(161.4)	(274.1)	–	–
– trade debtors (Note 21)	(24.2)	(33.8)	–	–
– other debtors (Note 21)	(13.0)	(10.5)	–	–
– contract assets (Note 21)	(18.8)	(43.0)	–	–
Fair value gain/(loss) on:				
– investment properties (Note 13)	(3.1)	3.2	–	–
– investments (Note 17)	(130.9)	113.4	46.7	13.3
– agricultural produce	3.5	5.8	–	–
– livestock	–	(3.4)	–	–
– derivatives not qualifying as hedges	–	(2.4)	–	–
Profit/(loss) on disposal of:				
– intangible assets	(1.0)	(1.3)	–	–
– right-of-use assets	(0.4)	–	–	–
– property, plant and equipment	20.1	22.2	0.2	0.1
– associates and joint ventures	–	418.3	–	–
– associates becoming subsidiaries	–	10.2	–	–
– investments	2.5	1.7	–	–
Loss on disposal/write-down of receivables from collateral vehicles	(65.2)	(80.8)	–	–
Stocks:				
– cost of stocks recognised as an expense (included in cost of sales and services rendered)	(9,755.3)	(6,563.4)	–	–
– write-down of stocks	(34.8)	(59.7)	–	–
– reversal of write-down of stocks made in previous years	37.4	45.4	–	–
(Provision)/write-back for:				
– warranty and goodwill expenses (Note 24)	(1.7)	(4.5)	–	–
– statutory employee entitlements (Note 24)	1.6	(24.6)	–	–
– other (Note 24)	(4.2)	(8.1)	–	–
Operating expenses arising from investment properties	(7.6)	(5.0)	–	–

(1) Impairment of associates at the Group has been included in the share of results of associates and joint ventures.

#### 4 Net Operating Costs (continued)

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Expenses relating to low-value leases	(0.3)	(0.5)	–	–
Expenses relating to short-term leases	(59.6)	(45.2)	(0.3)	(0.2)
Expenses relating to variable lease payment not included in lease liabilities	(0.3)	(0.8)	–	–
Gain/(loss) on lease modification or termination	0.4	(4.4)	–	–
Auditors' remuneration for:				
– audit services	(6.5)	(6.4)	(0.9)	(1.0)
– non-audit services	(2.1)	(1.2)	(0.4)	(0.3)
Net exchange gain/(loss)	(23.7)	20.2	(28.0)	23.1
Rental income from:				
– investment properties	2.6	2.4	–	–
– other properties	2.8	4.2	–	–
Dividend income from investments	48.0	49.3	6.6	6.1
Interest income from investments	50.9	39.5	–	–

In relation to the COVID-19 pandemic, the Group had received government grants, the majority of which were in support of employee retention, and rent concessions of US\$3.1 million (2020: US\$8.3 million) and US\$0.04 million (2020: US\$0.1 million) respectively. These subsidies were accounted for as other operating income.

#### 5 Employee Benefits

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Salaries and benefits in kind	1,439.7	1,308.8	13.6	11.2
Pension costs – defined contribution plans	16.7	16.4	0.3	0.4
Pension costs – defined benefit plans (Note 28)	37.2	66.2	–	–
	1,493.6	1,391.4	13.9	11.6

#### 6 Net Financing Charges

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Interest expense on:				
– bank borrowings	(131.9)	(170.2)	(15.7)	(19.6)
– lease liabilities (Note 25)	(11.0)	(20.5)	–	–
– other borrowings	(5.2)	(5.7)	–	–
	(148.1)	(196.4)	(15.7)	(19.6)
Interest capitalised	5.2	6.2	–	–
Other finance costs	(35.5)	(68.4)	(1.4)	(2.4)
Financing charges	(178.4)	(258.6)	(17.1)	(22.0)
Financing income	126.1	121.6	0.1	0.1
	(52.3)	(137.0)	(17.0)	(21.9)

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 7 Tax

Tax expense attributable to profit is made up of:

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Current tax:				
– Singapore	5.8	4.2	0.1	0.2
– Foreign	517.0	320.0	22.3	27.9
	522.8	324.2	22.4	28.1
Deferred tax (Note 27)	(16.5)	(86.3)	–	–
	506.3	237.9	22.4	28.1
Adjustments in respect of prior years:				
– Current tax	9.0	(3.1)	–	–
	515.3	234.8	22.4	28.1

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	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Profit before tax	2,233.6	1,480.4	229.5	127.4
Less: Share of associates' and joint ventures' results after tax	(590.6)	(100.2)	–	–
	1,643.0	1,380.2	229.5	127.4
Tax calculated at domestic tax rates applicable to profits in the respective countries	372.5	262.9	24.0	3.3
Income not subject to tax	(91.8)	(170.9)	(35.8)	(42.8)
Expenses not deductible for tax purposes	186.6	142.3	11.9	39.7
Utilisation of previously unrecognised tax losses	(11.5)	(3.2)	–	–
Recognition of previously unrecognised tax losses	(0.3)	(1.7)	–	–
Deferred tax assets written off	–	0.5	–	–
Deferred tax liabilities written back	–	(0.3)	–	–
Tax losses arising in the year not recognised	12.0	11.6	–	–
Temporary differences arising in the year not recognised	0.2	–	–	–
Withholding tax	36.2	18.3	22.3	27.9
Change in tax rates	2.4	(21.5)	–	–
Adjustments in respect of prior years	9.0	(3.1)	–	–
Other	–	(0.1)	–	–
	515.3	234.8	22.4	28.1

The effective tax rates for the Group and Company were 31% (2020: 17%) and 10% (2020: 22%), respectively.

## 7 Tax (continued)

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

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Revaluation of investments	0.5	(0.2)	–	–
Cash flow hedges	(19.1)	5.0	–	–
Defined benefit pension plans	2.7	1.3	–	–
	(15.9)	6.1	–	–

## 8 Dividends

At the Annual General Meeting in 2022, a final one-tier tax exempt dividend in respect of 2021 of US\$62 per share amounting to a dividend of approximately US\$245.0 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 2022. The dividends paid in 2021 and 2020 were as follows:

	Group and Company	
	2021 US\$m	2020 US\$m
Final one-tier tax exempt dividend in respect of previous year of US\$34 per share (2020: in respect of 2019 of US\$69)	133.2	275.8
Interim one-tier tax exempt dividend in respect of current year of US\$18 per share (2020: US\$9)	71.5	35.4
	204.7	311.2

## 9 Earnings Per Share

	Group	
	2021 US\$m	2020 US\$m
<b>Basic and diluted earnings per share</b>		
Profit attributable to shareholders	660.6	540.3
Weighted average number of ordinary shares in issue (millions)	395.2	395.2
Basic earnings per share	US\$167	US\$137
Diluted earnings per share	US\$167	US\$137
<b>Basic and diluted underlying earnings per share</b>		
Underlying profit attributable to shareholders	785.9	429.1
Weighted average number of ordinary shares in issue (millions)	395.2	395.2
Basic underlying earnings per share	US\$199	US\$109
Diluted underlying earnings per share	US\$199	US\$109

As at 31st December 2021 and 2020, there were no dilutive potential ordinary shares in issue.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 9 Earnings Per Share (continued)

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

	Group	
	2021 US\$m	2020 US\$m
<b>Profit attributable to shareholders</b>	<b>660.6</b>	540.3
<b>Less:</b>		
<b>Non-trading items (net of tax and non-controlling interests)</b>		
Fair value changes of agricultural produce and livestock	1.0	0.7
Fair value changes of investment properties	(1.5)	0.8
Fair value changes of investments	(134.3)	109.1
Impairment loss on associates and joint ventures	–	(182.8)
Impairment loss on goodwill on subsidiaries	(1.7)	(8.5)
Net gain on disposal of interests in associates and joint ventures	–	188.3
Other	11.2	3.6
	<b>(125.3)</b>	111.2
<b>Underlying profit attributable to shareholders</b>	<b>785.9</b>	429.1

## 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 & other US\$m	Total US\$m
<b>Group</b>							
<b>2021</b>							
Net book value at 1st January	398.5	149.8	605.7	54.8	539.8	68.3	1,816.9
Translation adjustments	(4.1)	(1.7)	(6.9)	(0.6)	(0.1)	0.7	(12.7)
Additions	–	–	13.7	37.6	60.3	26.8	138.4
Disposal	–	–	–	–	–	(1.0)	(1.0)
Amortisation (Note 4)	–	–	(7.9)	(40.4)	(79.0)	(24.5)	(151.8)
Impairment (Note 4)	(5.8)	–	–	–	(8.0)	(0.1)	(13.9)
Net book value at 31st December	388.6	148.1	604.6	51.4	513.0	70.2	1,775.9
Cost	424.5	149.4	659.6	104.9	1,219.5	182.7	2,740.6
Accumulated amortisation and impairment	(35.9)	(1.3)	(55.0)	(53.5)	(706.5)	(112.5)	(964.7)
	388.6	148.1	604.6	51.4	513.0	70.2	1,775.9
<b>2020</b>							
Net book value at 1st January	369.2	153.3	615.2	62.1	556.0	46.2	1,802.0
Translation adjustments	(1.8)	(2.2)	(8.9)	(1.1)	(1.4)	0.2	(15.2)
Additions arising from acquisition of subsidiaries (Note 38)	–	–	–	8.0	–	23.6	31.6
Additions	56.6	–	6.1	30.0	53.1	14.6	160.4
Disposal	–	–	–	–	–	(1.3)	(1.3)
Amortisation (Note 4)	–	–	(6.7)	(44.2)	(60.8)	(15.0)	(126.7)
Impairment (Note 4)	(25.5)	(1.3)	–	–	(7.1)	–	(33.9)
Net book value at 31st December	398.5	149.8	605.7	54.8	539.8	68.3	1,816.9
Cost	429.0	151.1	653.3	113.6	1,159.2	157.9	2,664.1
Accumulated amortisation and impairment	(30.5)	(1.3)	(47.6)	(58.8)	(619.4)	(89.6)	(847.2)
	398.5	149.8	605.7	54.8	539.8	68.3	1,816.9

## 10 Intangible Assets (continued)

Goodwill included goodwill arising from acquisition of shares in Astra which is regarded as an operating segment, as well as those arising from acquisition of other subsidiaries, including those under Astra. An impairment loss of US\$5.8 million (2020: US\$25.5 million) was recognised mainly in respect of goodwill arising from an Astra's subsidiary. For the purpose of impairment review of the goodwill arising from acquisition of shares in Astra, 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.

The carrying amounts of franchise rights comprise mainly Astra's automotive of US\$53.5 million (2020: US\$54.1 million) and Astra's heavy equipment of US\$94.6 million (2020: US\$95.7 million).

No impairment of Astra's franchise rights has occurred. The impairment review of Astra's 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:

	2021	2020
Growth rates	3% – 4%	3% – 4%
Pre-tax discount rates	17% – 20%	13% – 14%

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

The remaining amortisation lives for intangible assets are as follows:

Concession rights	Traffic volume over 34 to 38 years
Customer acquisition costs	1 to 4 years
Computer software and other	1 to 5 years
Deferred exploration costs based on unit of production method	4.6 million ounces (gold mining property) 44.4 to 153.9 million tonnes (coal mining properties)

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 11 Right-Of-Use Assets

	Leasehold land US\$m	Properties US\$m	Plant & machinery US\$m	Motor vehicles US\$m	Total US\$m
<b>Group</b>					
<b>2021</b>					
Net book value at 1st January	673.1	57.7	65.7	35.9	832.4
Translation adjustments	(8.2)	(1.0)	(0.8)	(0.5)	(10.5)
Additions	13.1	41.1	31.3	31.2	116.7
Disposals/terminations	(0.8)	(0.7)	(6.9)	(8.5)	(16.9)
Transfer to investment properties (Note 13)	(3.1)	–	–	–	(3.1)
Modifications to lease terms	–	(0.2)	–	–	(0.2)
Amortisation/depreciation (Note 4)	(50.4)	(28.8)	(40.2)	(30.3)	(149.7)
Impairment (Note 4)	(2.0)	–	–	–	(2.0)
Surplus on revaluation	2.7	–	–	–	2.7
Net book value at 31st December	624.4	68.1	49.1	27.8	769.4
Cost	1,027.8	198.6	222.0	176.6	1,625.0
Accumulated amortisation/depreciation and impairment	(403.4)	(130.5)	(172.9)	(148.8)	(855.6)
	624.4	68.1	49.1	27.8	769.4
<b>2020</b>					
Net book value at 1st January	694.8	71.0	78.9	27.8	872.5
Translation adjustments	(9.8)	(0.5)	(1.6)	(0.1)	(12.0)
Additions arising from acquisition of subsidiaries (Note 38)	0.9	1.1	–	–	2.0
Additions	27.3	15.8	63.6	53.9	160.6
Disposals/terminations	(0.8)	(0.5)	(4.0)	(2.8)	(8.1)
Transfer from investment properties (Note 13)	9.2	–	–	–	9.2
Modifications to lease terms	–	(2.1)	–	–	(2.1)
Amortisation/depreciation (Note 4)	(48.5)	(27.1)	(71.2)	(42.9)	(189.7)
Net book value at 31st December	673.1	57.7	65.7	35.9	832.4
Cost	1,030.3	167.1	199.7	155.6	1,552.7
Accumulated amortisation/depreciation and impairment	(357.2)	(109.4)	(134.0)	(119.7)	(720.3)
	673.1	57.7	65.7	35.9	832.4

The typical lease term associated with the right-of-use assets are as follows:

Leasehold land	4 to 95 years
Properties	1 to 30 years
Plant & machinery	1 to 5 years
Motor vehicles	1 to 10 years

None of the Group's leasehold land and other right-of-use assets have been pledged as security for borrowings at 31st December 2021 and 2020.

## 12 Property, Plant And Equipment

	Freehold land US\$m	Buildings & leasehold improvements US\$m	Mining properties US\$m	Plant & machinery US\$m	Office furniture, fixtures & equipment US\$m	Transportation equipment & motor vehicles US\$m	Total US\$m
<b>Group</b>							
<b>2021</b>							
Net book value at 1st January	40.4	1,167.3	918.9	1,544.9	139.8	431.9	4,243.2
Translation adjustments	(1.1)	(13.0)	1.2	(17.0)	(1.7)	(5.0)	(36.6)
Additions	–	63.6	–	191.9	53.8	154.0	463.3
Transfer to investment properties (Note 13)	–	(1.3)	–	–	–	–	(1.3)
Transfer to stocks	–	–	–	(0.3)	(0.4)	(24.9)	(25.6)
Disposals	–	(5.4)	–	(3.5)	(0.5)	(9.4)	(18.8)
Depreciation (Note 4)	–	(110.2)	(84.3)	(388.0)	(59.1)	(93.4)	(735.0)
(Impairment)/reversal of impairment (Note 4)	–	(38.6)	–	(0.8)	(3.1)	4.8	(37.7)
Surplus on revaluation	–	0.6	–	–	–	–	0.6
Net book value at 31st December	39.3	1,063.0	835.8	1,327.2	128.8	458.0	3,852.1
Cost	39.3	2,045.8	1,803.6	4,696.2	599.8	809.5	9,994.2
Accumulated depreciation and impairment	–	(982.8)	(967.8)	(3,369.0)	(471.0)	(351.5)	(6,142.1)
	39.3	1,063.0	835.8	1,327.2	128.8	458.0	3,852.1
<b>2020</b>							
Net book value at 1st January	33.3	1,240.1	995.0	1,886.5	138.8	424.5	4,718.2
Translation adjustments	0.9	(16.4)	1.2	(37.3)	(1.7)	(4.8)	(58.1)
Additions arising from acquisition of subsidiaries (Note 38)	–	–	–	2.1	1.5	–	3.6
Additions	6.3	59.2	–	124.0	63.0	141.3	393.8
Transfer from investment properties (Note 13)	–	2.8	–	–	–	–	2.8
Transfer from/(to) stocks	–	–	–	0.3	(0.2)	(22.2)	(22.1)
Disposals	(0.1)	(10.2)	–	(4.4)	(0.8)	(7.2)	(22.7)
Depreciation (Note 4)	–	(105.1)	(77.3)	(426.0)	(60.8)	(93.8)	(763.0)
Impairment (Note 4)	–	(3.2)	–	(0.3)	–	(5.9)	(9.4)
Surplus on revaluation	–	0.1	–	–	–	–	0.1
Net book value at 31st December	40.4	1,167.3	918.9	1,544.9	139.8	431.9	4,243.2
Cost	40.4	2,022.1	1,810.8	4,656.4	567.4	762.2	9,859.3
Accumulated depreciation and impairment	–	(854.8)	(891.9)	(3,111.5)	(427.6)	(330.3)	(5,616.1)
	40.4	1,167.3	918.9	1,544.9	139.8	431.9	4,243.2

The Group's property, plant and equipment have not been pledged as security for borrowings at 31st December 2021 (2020: US\$2.3 million).

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 12 Property, Plant And Equipment (continued)

	Freehold land US\$m	Buildings & leasehold improvements US\$m	Office furniture, fixtures & equipment US\$m	Motor vehicles US\$m	Total US\$m
<b>Company</b>					
<b>2021</b>					
Net book value at 1st January	27.9	4.5	0.5	1.2	34.1
Translation adjustments	(0.7)	(0.1)	–	0.1	(0.7)
Additions	–	–	0.1	0.8	0.9
Disposals	–	–	–	(0.3)	(0.3)
Depreciation (Note 4)	–	(0.3)	(0.2)	(0.4)	(0.9)
Net book value at 31st December	27.2	4.1	0.4	1.4	33.1
Cost	27.2	6.4	1.3	2.0	36.9
Accumulated depreciation	–	(2.3)	(0.9)	(0.6)	(3.8)
	27.2	4.1	0.4	1.4	33.1
<b>2020</b>					
Net book value at 1st January	27.3	4.7	0.4	2.2	34.6
Translation adjustments	0.6	0.1	–	(0.1)	0.6
Additions	–	–	0.2	0.4	0.6
Disposals	–	–	–	(0.7)	(0.7)
Depreciation (Note 4)	–	(0.3)	(0.1)	(0.6)	(1.0)
Net book value at 31st December	27.9	4.5	0.5	1.2	34.1
Cost	27.9	6.6	1.2	2.2	37.9
Accumulated depreciation	–	(2.1)	(0.7)	(1.0)	(3.8)
	27.9	4.5	0.5	1.2	34.1

### 13 Investment Properties

	Group	
	2021 US\$m	2020 US\$m
Completed commercial properties:		
Balance at 1st January	519.7	526.8
Translation adjustments	(5.8)	(7.7)
Fair value gain/(loss) (Note 4)	(3.1)	3.2
Additions	1.7	0.6
Transfer from commercial properties under development	12.2	8.8
Transfer from/(to) right-of-use assets (Note 11)	3.1	(9.2)
Transfer from/(to) property, plant and equipment (Note 12)	1.3	(2.8)
Balance at 31st December	529.1	519.7
Commercial properties under development:		
Balance at 1st January	12.5	16.4
Translation adjustments	(0.3)	(0.3)
Additions	–	5.2
Transfer to completed commercial properties	(12.2)	(8.8)
Balance at 31st December	–	12.5
Total	529.1	532.2

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

The Group's policy is to recognise transfers between the levels in the fair value measurement hierarchy as of the date of the event or change in circumstances that caused the transfer. Level 2 fair values of the Group's properties were derived using open market value. There were no transfers within the fair value hierarchy levels for the financial years ended 31st December 2021 and 2020.

The Group's investment properties have not been pledged as security for borrowings at 31st December 2021 and 2020.

## Notes to The Financial Statements (continued)

For the year ended 31st December 2021

### 14 Bearer Plants

The Group's bearer plants are primarily for the production of palm oil.

	Group	
	2021 US\$m	2020 US\$m
Net book value at 1st January	496.7	502.9
Translation adjustments	(5.7)	(7.2)
Additions	34.9	37.4
Disposals	–	(9.7)
Depreciation (Note 4)	(27.3)	(26.7)
Net book value at 31st December	498.6	496.7
Immature bearer plants	113.2	109.5
Mature bearer plants	385.4	387.2
	498.6	496.7
Cost	733.9	710.6
Accumulated depreciation	(235.3)	(213.9)
	498.6	496.7

The Group's bearer plants have not been pledged as security for borrowings at 31st December 2021 and 2020.

### 15 Interests In Subsidiaries

	Company	
	2021 US\$m	2020 US\$m
At cost:		
– quoted equity securities (market value: 2021: US\$8,150.5 million; 2020: US\$8,692.1 million)	1,289.5	1,301.3
– unquoted equity securities	127.7	135.8
	1,417.2	1,437.1
Less: Impairment	(0.7)	(24.9)
	1,416.5	1,412.2

A list of principal subsidiaries is set out in Note 42.

## 16 Interests In Associates And Joint Ventures

The amounts recognised in the balance sheet are as follows:

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
At cost:				
– quoted equity securities (Group market value: 2021: US\$883.5 million; 2020: US\$778.3 million)	939.1	950.8	833.0	851.9
– unquoted equity securities	1,745.6	1,652.5	333.9	341.5
	2,684.7	2,603.3	1,166.9	1,193.4
Post-acquisition reserves and impairment	1,700.8	1,429.3	(190.9)	(195.2)
	4,385.5	4,032.6	976.0	998.2
Associates	2,148.5	2,029.0	909.5	930.2
Joint ventures	2,237.0	2,003.6	66.5	68.0
	4,385.5	4,032.6	976.0	998.2

The market value of quoted equity securities is based on their quoted prices. In determining whether these investments are impaired, management has also considered recent arm's length transactions of a similar nature and the investment's recoverable amount computed using a value-in-use calculation.

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

	Associates		Joint ventures	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Balance at 1st January	2,029.0	2,167.6	2,003.6	2,899.7
Translation adjustments	(41.9)	(15.0)	(20.7)	(72.2)
Share of results after tax and non-controlling interests	216.8	(56.4)	373.8	156.6
Share of other comprehensive income/(expense) after tax and non-controlling interests	43.5	(49.7)	1.2	(18.3)
Dividends received	(65.8)	(64.7)	(278.6)	(221.2)
Additions arising from acquisition of subsidiaries (Note 38)	–	44.3	–	–
Acquisitions and increase in attributable interests	28.6	5.6	157.7	7.8
Disposals and decrease in attributable interests	(61.5)	(1.6)	–	(748.9)
Other	(0.2)	(1.1)	–	0.1
Balance at 31st December	2,148.5	2,029.0	2,237.0	2,003.6

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 16 Interests In Associates And Joint Ventures (continued)

### (a) Investment in associates

The material associates of the Group are Truong Hai Group Corporation ("THACO"), SCCC and PT Astra Daihatsu Motor. These associates have share capital consisting solely of ordinary shares. The Company has a 26.6% and a 25.5% interest in THACO and SCCC, respectively, and the Group's subsidiary, Astra has a 31.9% interest in PT Astra Daihatsu Motor. THACO is a multi-industry group in Vietnam and SCCC is a cement manufacturer in Thailand. PT Astra Daihatsu Motor is principally involved in the manufacturing and distribution of Daihatsu motor vehicles in Indonesia.

In 2020, in view of the challenging market conditions faced by SCCC, management has performed an impairment review of the carrying amount of SCCC for the Group and Company, and concluded that an impairment has occurred. An impairment loss of US\$182.0 million has been included in the share of results of associates and joint ventures of US\$100.2 million. The Company has recorded an impairment loss of US\$187.3 million in the net operating costs.

In 2021, no impairment charge was recognised.

The impairment review was performed by comparing the carrying amount of SCCC with the recoverable amount. The recoverable amount was determined based on a value-in-use ("VIU") calculation using cashflow projections approved by management covering a four-year period. Cashflows beyond the four-year period were extrapolated using the estimates stated below:

Growth rates in Thailand and Vietnam	3.5% – 4.0%
Pre-tax discount rate	9.8%

The growth rates do not exceed the long-term average industry growth rates in Thailand and Vietnam, and the pre-tax discount rate reflects business specific risks relating to the relevant industry.

As at 31st December 2021, the Group has considered that any reasonable possible change in key assumptions used in the value-in-use computation would not cause an impairment charge that is material to the financial statement for the year ended 31st December 2021.

As at 31st December 2021, the fair value of the Group's interest in SCCC, which is listed on the Stock Exchange of Thailand, was US\$357.5 million (2020: US\$344.7 million).

## 16 Interests In Associates And Joint Ventures (continued)

### (a) Investment in associates (continued)

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

Summarised balance sheet at 31st December:

	THACO US\$m	SCCC US\$m	PT Astra Daihatsu Motor US\$m	Total US\$m
<b>2021</b>				
Non-current assets	3,169.1	2,134.9	591.3	5,895.3
Current assets				
Cash and cash equivalents	97.5	290.0	446.4	833.9
Other current assets	2,570.7	296.6	710.4	3,577.7
Total current assets	2,668.2	586.6	1,156.8	4,411.6
Non-current liabilities				
Financial liabilities	(895.9)	(521.3)	(1.4)	(1,418.6)
Other non-current liabilities	(143.8)	(167.1)	(71.3)	(382.2)
Total non-current liabilities	(1,039.7)	(688.4)	(72.7)	(1,800.8)
Current liabilities				
Financial liabilities (excluding trade payables)	(1,105.6)	(320.8)	(1.3)	(1,427.7)
Other current liabilities (including trade payables)	(1,547.9)	(274.9)	(777.9)	(2,600.7)
Total current liabilities	(2,653.5)	(595.7)	(779.2)	(4,028.4)
Non-controlling interests	(250.3)	(45.4)	–	(295.7)
Net assets attributable to parent	1,893.8	1,392.0	896.2	4,182.0
<b>2020</b>				
Non-current assets	2,570.6	2,342.3	499.2	5,412.1
Current assets				
Cash and cash equivalents	183.4	256.5	367.8	807.7
Other current assets	2,312.6	297.2	556.0	3,165.8
Total current assets	2,496.0	553.7	923.8	3,973.5
Non-current liabilities				
Financial liabilities	(703.5)	(818.0)	(2.4)	(1,523.9)
Other non-current liabilities	(120.3)	(218.0)	(63.6)	(401.9)
Total non-current liabilities	(823.8)	(1,036.0)	(66.0)	(1,925.8)
Current liabilities				
Financial liabilities (excluding trade payables)	(1,310.4)	(141.0)	(1.5)	(1,452.9)
Other current liabilities (including trade payables)	(1,042.7)	(258.8)	(495.1)	(1,796.6)
Total current liabilities	(2,353.1)	(399.8)	(496.6)	(3,249.5)
Non-controlling interests	(247.8)	(45.2)	–	(293.0)
Net assets attributable to parent	1,641.9	1,415.0	860.4	3,917.3

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 16 Interests In Associates And Joint Ventures (continued)

### (a) Investment in associates (continued)

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

	THACO US\$m	SCCC US\$m	PT Astra Daihatsu Motor US\$m	Total US\$m
<b>2021</b>				
Revenue	2,646.0	1,286.1	4,223.1	8,155.2
Depreciation and amortisation	(127.3)	(121.2)	(108.0)	(356.5)
Financing income	92.7	2.4	9.4	104.5
Financing charges	(96.8)	(38.5)	(0.5)	(135.8)
Tax	(22.9)	–	(53.1)	(76.0)
Profit after tax	279.3	125.5	175.6	580.4
Other comprehensive income/(expense)	–	(6.5)	(4.0)	(10.5)
Total comprehensive income	279.3	119.0	171.6	569.9
Dividends received from associates	–	21.3	40.2	61.5
<b>2020</b>				
Revenue	2,754.7	1,329.1	2,558.9	6,642.7
Depreciation and amortisation	(109.0)	(131.4)	(86.0)	(326.4)
Financing income	–	2.5	14.1	16.6
Financing charges	(81.4)	(43.9)	(0.3)	(125.6)
Tax	(24.2)	(24.9)	(27.6)	(76.7)
Profit after tax	152.9	117.4	85.3	355.6
Other comprehensive income/(expense)	–	(4.1)	(4.1)	(8.2)
Total comprehensive income	152.9	113.3	81.2	347.4
Dividends received from associates	18.4	9.7	22.5	50.6

The information above reflects the amounts presented in the financial statements of the associates, adjusted for differences in accounting policies between the Group and the associates, and fair value of the associates at the time of acquisition. For associates acquired during 2021, the fair value of the identifiable assets and liabilities at the acquisition date is provisional and will be finalised within one year after the acquisition date.

## 16 Interests In Associates And Joint Ventures (continued)

### (a) Investment in associates (continued)

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

	THACO US\$m	SCCC US\$m	PT Astra Daihatsu Motor US\$m	Total US\$m
<b>2021</b>				
Net assets	1,893.8	1,392.0	896.2	4,182.0
Interest in associates	26.6%	25.5%	31.9%	
Group's share of net assets in associates	503.7	355.5	285.6	1,144.8
Goodwill	168.6	215.2	–	383.8
Carrying value	672.3	570.7	285.6	1,528.6
<b>2020</b>				
Net assets	1,641.9	1,415.0	860.4	3,917.3
Interest in associates	26.6%	25.5%	31.9%	
Group's share of net assets in associates	436.7	361.4	274.2	1,072.3
Goodwill	166.4	421.6	–	588.0
Less: Impairment	–	(182.0)	–	(182.0)
Carrying value	603.1	601.0	274.2	1,478.3

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

	2021 US\$m	2020 US\$m
Share of profit	59.0	31.7
Share of other comprehensive income/(expense)	43.1	(52.7)
Share of total comprehensive income/(expense)	102.1	(21.0)
Carrying amount of interests in these associates	619.9	550.7

### (b) Investment in joint ventures

The material joint venture of the Group is PT Astra Honda Motor. The joint venture has share capital consisting solely of ordinary shares, which are held by the Group's subsidiary, Astra. Astra has a 50.0% interest in PT Astra Honda Motor. PT Astra Honda Motor is principally involved in the manufacturing and distribution of Honda motorcycles in Indonesia.

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

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 16 Interests In Associates And Joint Ventures (continued)

- (b) Investment in joint ventures (continued)  
Summarised balance sheet at 31st December:

	2021 US\$m	2020 US\$m
Non-current assets	<b>1,362.0</b>	1,430.5
Current assets		
Cash and cash equivalents	<b>778.8</b>	524.3
Other current assets	<b>427.9</b>	305.3
Total current assets	<b>1,206.7</b>	829.6
Non-current liabilities		
Other non-current liabilities	<b>(248.5)</b>	(289.9)
Total non-current liabilities	<b>(248.5)</b>	(289.9)
Current liabilities		
Other current liabilities (including trade and other payables)	<b>(977.6)</b>	(642.5)
Total current liabilities	<b>(977.6)</b>	(642.5)
Net assets	<b>1,342.6</b>	1,327.7

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

	2021 US\$m	2020 US\$m
Revenue	<b>5,114.2</b>	3,709.3
Depreciation and amortisation	<b>(136.8)</b>	(129.4)
Financing income	<b>18.1</b>	26.5
Financing charges	<b>–</b>	(1.1)
Tax	<b>(118.7)</b>	(92.8)
Profit after tax	<b>425.1</b>	289.9
Other comprehensive income/(expense)	<b>(5.6)</b>	(13.0)
Total comprehensive income	<b>419.5</b>	276.9
Dividends received from joint venture	<b>209.3</b>	148.8

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

## 16 Interests In Associates And Joint Ventures (continued)

### (b) Investment in joint ventures (continued)

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

	2021 US\$m	2020 US\$m
Net assets	<b>1,342.6</b>	1,327.7
Interest in joint venture	<b>50.0%</b>	50.0%
Group's share of net assets in joint venture	<b>671.3</b>	663.8
Carrying value	<b>671.3</b>	663.8

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

	2021 US\$m	2020 US\$m
Share of profit	<b>146.7</b>	11.7
Share of other comprehensive income/(expense)	<b>4.0</b>	(11.7)
Share of total comprehensive income	<b>150.7</b>	–
Carrying amount of interests in these joint ventures	<b>1,565.7</b>	1,339.8

A list of the Group's principal associates and joint ventures is set out in Note 42.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 17 Investments

The Group's investments consist of equity investments at fair value through profit and loss and debt investments at fair value through other comprehensive income.

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Equity investments at fair value through profit and loss				
– quoted investments	1,136.7	1,320.7	264.5	223.0
– unquoted investments	387.8	326.3	–	–
	1,524.5	1,647.0	264.5	223.0
Debt investments at fair value through other comprehensive income	776.4	697.3	–	–
	2,300.9	2,344.3	264.5	223.0
Non-current	2,255.3	2,283.9	264.5	223.0
Current	45.6	60.4	–	–
	2,300.9	2,344.3	264.5	223.0

Debt investments comprised listed bonds.

Movements during the year are as follows:

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Balance at 1st January	2,344.3	2,134.7	223.0	205.1
Translation adjustments	(39.1)	15.1	(5.2)	4.6
Additions arising from acquisition of subsidiaries (Note 38)	–	26.1	–	–
Change in fair value recognised in profit and loss (Note 4)	(130.9)	113.4	46.7	13.3
Change in fair value recognised in other comprehensive income	(2.1)	19.1	–	–
Additions	375.0	483.4	–	–
Disposals	(245.5)	(447.1)	–	–
Unwinding of discount	(0.8)	(0.4)	–	–
Balance at 31st December	2,300.9	2,344.3	264.5	223.0

The fair value measurements of investments are determined on the following bases:

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Quoted prices in active markets	1,913.1	2,018.0	264.5	223.0
Other valuation techniques using unobservable inputs	387.8	326.3	–	–
	2,300.9	2,344.3	264.5	223.0

## 17 Investments (continued)

Movements of equity investments which are valued based on other valuation techniques using unobservable inputs are as follows:

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Balance at 1st January	326.3	320.6	–	–
Translation adjustments	(3.4)	(4.2)	–	–
Change in fair value recognised in profit and loss	4.3	4.6	–	–
Additions	60.6	5.5	–	–
Disposals	–	(0.2)	–	–
Balance at 31st December	387.8	326.3	–	–

## 18 Properties For Sale

	Group	
	2021 US\$m	2020 US\$m
Properties under development	361.6	372.8
Completed properties	13.1	17.4
	374.7	390.2

As at 31st December 2021, properties under development amounting to US\$231.7 million (2020: US\$239.7 million) were not scheduled for completion within the next twelve months.

The Group's properties for sale have not been pledged as security for borrowings as at 31st December 2021 and 2020.

## 19 Stocks

	Group	
	2021 US\$m	2020 US\$m
Finished goods	1,201.1	1,063.9
Work in progress	54.6	34.9
Raw materials	92.5	66.1
Spare parts	67.2	64.2
Other	116.5	91.1
	1,531.9	1,320.2

The Group's stocks have not been pledged as security for borrowings as at 31st December 2021 and 2020.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 20 Financing Debtors

	Group	
	2021 US\$m	2020 US\$m
Consumer financing debtors	4,596.7	4,484.2
Less: Allowance for impairment	(339.7)	(329.5)
	4,257.0	4,154.7
Financing lease receivables		
– gross investment	419.5	332.5
– unearned finance income	(47.7)	(34.5)
– net investment	371.8	298.0
Less: Allowance for impairment	(24.4)	(18.4)
	347.4	279.6
	4,604.4	4,434.3
Non-current	2,189.5	2,138.8
Current	2,414.9	2,295.5
	4,604.4	4,434.3

The maturity analysis of consumer financing debtors is as follows:

### Including related finance income

	2021 US\$m	2020 US\$m
Within one year	3,225.6	3,126.3
Between one and two years	1,648.4	1,641.7
Between two and three years	676.9	676.0
Between three and four years	219.6	231.8
Between four and five years	57.9	58.3
	5,828.4	5,734.1

### Excluding related finance income

	2021 US\$m	2020 US\$m
Within one year	2,423.4	2,310.1
Between one and two years	1,332.6	1,324.7
Between two and three years	588.0	584.6
Between three and four years	197.9	209.4
Between four and five years	54.8	55.4
	4,596.7	4,484.2

## 20 Financing Debtors (continued)

The maturity analysis of investment in financing lease receivables is as follows:

	Gross investment		Net investment	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Within one year	227.3	199.0	196.1	175.0
Between one and two years	128.7	96.8	116.1	89.0
Between two and three years	51.1	27.5	47.8	25.6
Between three and four years	11.3	3.6	10.7	3.0
Between four and five years	1.1	5.6	1.1	5.4
	419.5	332.5	371.8	298.0

### Impairment of financing debtors

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.

The loan period ranges from 6 to 60 months for motor vehicles and motorcycles. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are factors in determining the credit risk of financing debtors. To measure the expected credit losses, the financing debtors have been grouped based on shared credit risk characteristics and the days past due. The calculation reflects the probability weighted outcome, the time value of money, historical loss rate, reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions, and higher credit risks of financing debtors who restructure their loans during the COVID-19 pandemic, as allowed under the Indonesia regulations. Changes in certain macroeconomic information, such as GDP and inflation rate, are relevant for determining expected credit loss rates. Financing debtors are performing when timely repayments are being made. Financing debtors are underperforming and subject to a significant increase in credit risk when motor vehicle and motorcycle financing debtors are overdue for 30 days, or for certain motor vehicle and motorcycle financing debtors who had restructured their loans. Lifetime expected credit losses are provided at this stage. Financing debtors are non-performing if they are overdue for 90 days. Financing debtors are written off when they are overdue for 150 days and there is no reasonable expectation of recovery. In case of default, the Group facilitates the customer to sell the collateral vehicles under fiduciary arrangements for the purpose of recovering the outstanding receivables.

The fair value of the financing debtors is US\$4,671.2 million (2020: US\$4,652.7 million). The fair value of financing debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly rates of 10% to 37% per annum (2020: 11% to 38% per annum). The higher the rates, the lower the fair value.

Financing debtors are due within five years (2020: five years) from the balance sheet date and the interest rates range from 7% to 45% per annum (2020: 11% to 38% per annum).

Financing debtors amounting to US\$85.3 million at 31st December 2021 (2020: US\$281.8 million) have been pledged as security for borrowings (Note 26).

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 20 Financing Debtors (continued)

### Impairment of financing debtors (continued)

The Group provides for credit losses against the financing debtors in 2021 and 2020 as follows:

	Expected credit loss rate %	Estimated gross carrying amount at default US\$m
<b>2021</b>		
Performing	2.00 – 12.25	3,526.3
Underperforming	2.00 – 31.29	1,385.9
Non-performing	39.00 – 100.00	56.3
<b>2020</b>		
Performing	0.91 – 8.25	3,112.5
Underperforming	1.50 – 19.30	1,613.5
Non-performing	19.68 – 100.00	56.2

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

	Performing US\$m	Under- performing US\$m	Non- performing US\$m	Total US\$m
<b>2021</b>				
Balance at 1st January	142.3	159.4	46.2	347.9
Translation adjustments	(1.4)	(1.9)	(0.6)	(3.9)
Additional provisions/(write-back) (Note 4)	(4.4)	143.2	22.6	161.4
Transfer	45.0	(71.2)	26.2	–
Write-off/utilisation	(0.3)	(80.6)	(60.4)	(141.3)
Balance at 31st December	181.2	148.9	34.0	364.1
<b>2020</b>				
Balance at 1st January	109.7	76.7	42.6	229.0
Translation adjustments	(0.3)	2.0	(0.5)	1.2
Additional provisions (Note 4)	35.9	202.0	36.2	274.1
Transfer	(3.0)	(23.8)	26.8	–
Write-off/utilisation	–	(97.5)	(58.9)	(156.4)
Balance at 31st December	142.3	159.4	46.2	347.9

As at 31st December 2021 and 2020, there are no financing debtors that are written off but still subject to enforcement activities.

## 21 Debtors

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
<b>Financing debtors</b> (Note 20)	<b>4,604.4</b>	4,434.3	–	–
<b>Trade debtors</b>				
Amounts owing by third parties	<b>1,496.4</b>	1,191.6	–	–
Amounts owing by associates	<b>29.7</b>	14.2	–	0.1
Amounts owing by joint ventures	<b>111.3</b>	83.9	–	–
	<b>1,637.4</b>	1,289.7	–	0.1
Less: Allowance for impairment	<b>(85.5)</b>	(66.0)	–	–
	<b>1,551.9</b>	1,223.7	–	0.1
<b>Other debtors</b>				
Receivables from collateral vehicles	<b>20.0</b>	16.2	–	–
Restricted bank balances and deposits	<b>67.1</b>	88.3	–	–
Loans to employees	<b>34.0</b>	33.8	<b>0.3</b>	0.3
Interest receivable	<b>13.0</b>	24.2	–	–
Amounts owing by associates	<b>107.1</b>	80.5	–	–
Amounts owing by joint ventures	<b>71.4</b>	85.9	–	–
Amounts owing by subsidiaries	–	–	<b>1,125.6</b>	1,155.5
Sundry debtors	<b>651.8</b>	650.8	–	–
Less: Allowance for impairment	<b>(29.0)</b>	(16.4)	–	–
	<b>622.8</b>	634.4	–	–
<b>Financial assets excluding derivatives</b>	<b>7,091.7</b>	6,621.3	<b>1,125.9</b>	1,155.9
Forward foreign exchange contracts (Note 35)	<b>0.6</b>	1.6	–	–
Cross-currency swap contracts (Note 35)	<b>15.5</b>	8.8	–	–
Interest rate swap contracts (Note 35)	<b>0.1</b>	–	–	–
Commodity options (Note 35)	–	0.5	–	–
Commodity zero collars (Note 35)	<b>0.1</b>	–	–	–
	<b>16.3</b>	10.9	–	–
<b>Financial assets</b>	<b>7,108.0</b>	6,632.2	<b>1,125.9</b>	1,155.9
<b>Contract assets</b> (Note 3)				
Gross	<b>107.5</b>	123.0	–	–
Less: Allowance for impairment	<b>(64.5)</b>	(46.1)	–	–
	<b>43.0</b>	76.9	–	–
Reinsurers' share of estimated claims (Note 36)	<b>77.8</b>	81.9	–	–
Deposits	<b>6.0</b>	5.9	<b>0.1</b>	0.1
Prepayments	<b>538.9</b>	636.7	<b>3.5</b>	0.9
Other	<b>156.1</b>	90.1	<b>0.3</b>	0.1
	<b>7,929.8</b>	7,523.7	<b>1,129.8</b>	1,157.0
Non-current	<b>2,782.7</b>	2,846.8	–	–
Current	<b>5,147.1</b>	4,676.9	<b>1,129.8</b>	1,157.0
	<b>7,929.8</b>	7,523.7	<b>1,129.8</b>	1,157.0
Analysis by geographical area of operation:				
Indonesia	<b>7,838.1</b>	7,418.2	–	–
Singapore	<b>68.1</b>	77.7	<b>1,129.8</b>	1,157.0
Malaysia	<b>23.6</b>	27.8	–	–
	<b>7,929.8</b>	7,523.7	<b>1,129.8</b>	1,157.0

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 21 Debtors (continued)

### Impairment of trade debtors and contract assets

Before accepting any new customer, the individual Group business assesses the potential customer's credit quality and sets credit limits by customer using internal credit scoring systems. These limits and scoring are reviewed periodically.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are considered indicators that the debtor is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience.

The Group applies the simplified approach to measure expected credit loss, that is a lifetime expected loss allowance for trade debtors and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Changes in certain macroeconomic information, such as GDP and inflation rate, are relevant for determining expected credit loss rates. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade debtors for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade debtors are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the historical payment profiles of sales and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors and industry trends affecting the ability of the customers to settle the receivables.

The loss allowance for both trade debtors and contract assets as at 31st December 2021 and 2020 were determined as follows:

	Below 30 days	Between 31 and 60 days	Between 61 and 120 days	More than 120 days	Total
<b>2021</b>					
Weighted average expected loss rate	4.5%	0.6%	3.9%	63.4%	
Gross carrying amount – trade debtors	1,351.2	116.2	40.7	129.3	1,637.4
Gross carrying amount – contract assets	107.5	–	–	–	107.5
Loss allowance	(65.7)	(0.7)	(1.6)	(82.0)	(150.0)
<b>2020</b>					
Weighted average expected loss rate	4.3%	0.9%	4.0%	34.4%	
Gross carrying amount – trade debtors	1,006.3	41.3	65.0	177.1	1,289.7
Gross carrying amount – contract assets	123.0	–	–	–	123.0
Loss allowance	(48.3)	(0.4)	(2.6)	(60.8)	(112.1)

## 21 Debtors (continued)

### Impairment of trade debtors and contract assets (continued)

Movements in the provisions for impairment are as follows:

	Trade debtors		Contract assets		Other debtors	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Balance at 1st January	66.0	37.0	46.1	1.4	16.4	6.0
Translation adjustments	(0.8)	0.7	(0.4)	1.7	(0.1)	0.3
Additional provisions (Note 4)	25.9	39.7	18.9	43.0	13.2	10.7
Reversals of provision (Note 4)	(1.7)	(5.9)	(0.1)	–	(0.2)	(0.2)
Write-off	(3.9)	(5.5)	–	–	(0.3)	(0.4)
Balance at 31st December	85.5	66.0	64.5	46.1	29.0	16.4

Trade debtors, contract assets and other debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

The fair value of the non-current debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly rates 4% to 15% per annum (2020: 5% to 15% per annum). The higher the rates, the lower the fair value. The fair value of the receivables from collateral vehicles held amounted to US\$20.0 million (2020: US\$16.2 million).

Trade and other debtors of the Group amounting to US\$7.3 million at 31st December 2021 (2020: US\$11.6 million) have been pledged as security for borrowings (Note 26).

The amounts owing by subsidiaries, associates and joint ventures are unsecured, interest-free except for amounts owing by associates and joint ventures amounting to US\$51.0 million (2020: US\$156.5 million) which bear weighted average interest rate of 1% to 4% (2020: 3% to 5%) per annum.

## 22 Bank Balances And Other Liquid Funds

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Bank and cash balances	2,778.4	1,998.0	24.2	46.5
Deposits with banks and financial institutions	1,810.4	1,499.6	–	–
	4,588.8	3,497.6	24.2	46.5
Analysis by currency:				
Singapore Dollar	53.9	91.1	3.9	23.4
United States Dollar	1,082.8	557.1	18.9	21.9
Malaysian Ringgit	6.1	5.1	–	–
Japanese Yen	3.3	5.4	0.5	0.5
Indonesian Rupiah	3,418.9	2,834.5	0.2	0.1
Euro	1.5	0.8	–	–
Vietnamese Dong	20.6	2.5	0.7	0.6
Other	1.7	1.1	–	–
	4,588.8	3,497.6	24.2	46.5

The weighted average effective interest rate on interest-bearing deposits at 31st December 2021 was 1.7% (2020: 2.9%) per annum.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 23 Creditors

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
<b>Trade creditors</b>				
Amounts owing to third parties	1,458.8	1,014.2	–	–
Amounts owing to associates	91.8	39.1	–	–
Amounts owing to joint ventures	231.3	151.9	–	–
	1,781.9	1,205.2	–	–
<b>Other creditors</b>				
Accruals	938.8	755.6	14.4	11.8
Interest payable	41.7	40.0	2.8	0.1
Amounts owing to joint ventures	2.0	2.1	–	–
Amounts owing to subsidiaries	–	–	92.0	53.3
Contingent consideration payable	8.8	8.8	–	–
Sundry creditors	311.0	229.8	–	–
<b>Financial liabilities excluding derivatives</b>	3,084.2	2,241.5	109.2	65.2
Forward foreign exchange contracts (Note 35)	0.1	0.1	–	–
Cross-currency swap contracts (Note 35)	50.7	118.4	–	–
Interest rate swap contracts (Note 35)	4.2	11.9	–	–
Forward commodity contracts (Note 35)	–	33.1	–	–
Commodity zero collar (Note 35)	–	5.3	–	–
	55.0	168.8	–	–
<b>Financial liabilities</b>	3,139.2	2,410.3	109.2	65.2
Contract liabilities (Note 3)	492.0	421.1	–	–
Insurance contracts – gross estimated claims (Note 36)	251.9	230.2	–	–
Insurance contracts – unearned premiums (Note 36)	289.4	292.6	–	–
Rental income received in advance	6.0	9.0	–	–
Customer deposits and advances	107.1	60.5	–	–
Other	404.3	389.6	–	–
	4,689.9	3,813.3	109.2	65.2
Non-current	201.5	278.4	–	–
Current	4,488.4	3,534.9	109.2	65.2
	4,689.9	3,813.3	109.2	65.2
Analysis by geographical area of operation:				
Indonesia	4,412.7	3,513.0	–	–
Singapore	237.7	257.7	109.2	65.2
Malaysia	39.5	42.6	–	–
	4,689.9	3,813.3	109.2	65.2

The amounts owing to subsidiaries, associates and joint ventures are unsecured, interest-free and repayable on demand. The fair value of creditors approximates their carrying amounts.

The contingent consideration payable mainly arose from Astra's acquisition of a 60% interest in PT Duta Nurcahya in 2012 and represents the fair value of service fee payable for mining services to be provided by the vendor.

## 24 Provisions

	Warranty & goodwill expenses US\$m	Closure costs US\$m	Statutory employee entitlements US\$m	Other US\$m	Total US\$m
<b>Group</b>					
<b>2021</b>					
Balance at 1st January	73.8	0.9	160.6	66.9	302.2
Translation adjustments	(1.6)	–	(1.8)	(0.4)	(3.8)
Provision made/(reversal of provision) during the year (Note 4)	1.7	–	(1.6)	4.2	4.3
Utilised during the year	(3.5)	–	(0.1)	(2.3)	(5.9)
Balance at 31st December	70.4	0.9	157.1	68.4	296.8
Non-current	–	0.9	125.6	57.3	183.8
Current	70.4	–	31.5	11.1	113.0
	70.4	0.9	157.1	68.4	296.8
<b>2020</b>					
Balance at 1st January	70.6	0.9	137.0	63.5	272.0
Translation adjustments	1.5	–	(1.0)	(0.3)	0.2
Provision made during the year (Note 4)	4.5	–	24.6	8.1	37.2
Utilised during the year	(2.8)	–	–	(4.4)	(7.2)
Balance at 31st December	73.8	0.9	160.6	66.9	302.2
Non-current	–	0.9	127.8	57.6	186.3
Current	73.8	–	32.8	9.3	115.9
	73.8	0.9	160.6	66.9	302.2

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 25 Lease Liabilities

	Group	
	2021 US\$m	2020 US\$m
Balance at 1st January	144.9	150.6
Translation adjustments	(2.2)	(1.3)
Additions arising from acquisition of subsidiaries (Note 38)	–	1.0
Additions	95.5	132.6
Terminations	(16.9)	(7.0)
Modifications to lease terms	(0.3)	2.8
Lease payments	(115.0)	(154.3)
Interest expense (Note 6)	11.0	20.5
Balance at 31st December	117.0	144.9
Non-current	64.4	79.7
Current	52.6	65.2
	117.0	144.9

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for other borrowing purposes.

The Group is not exposed to any residual guarantees in respect of the leases entered into at 31st December 2021 and 2020.

The Group has not entered into lease contracts which have not commenced at 31st December 2021 and 2020.

## 26 Borrowings

	Group	
	2021 US\$m	2020 US\$m
<b>Current borrowings</b>		
Bank loans	284.5	2,049.8
Current portion of long-term borrowings:		
– Bank loans	1,860.2	1,362.6
– Astra Sedaya Finance Berkelanjutan III Tahap III Bonds	26.3	–
– Astra Sedaya Finance Berkelanjutan III Tahap IV Bonds	14.0	–
– Astra Sedaya Finance Berkelanjutan IV Tahap I Bonds	–	37.7
– Astra Sedaya Finance Berkelanjutan IV Tahap II Bonds	41.6	–
– Astra Sedaya Finance Berkelanjutan IV Tahap III Bonds	49.0	–
– Astra Sedaya Finance Berkelanjutan IV Tahap IV Bonds	–	62.4
– Astra Sedaya Finance Berkelanjutan V Tahap I Bonds	–	72.5
– Astra Sedaya Finance Berkelanjutan V Tahap II Bonds	62.5	–
– Astra Sedaya Finance Berkelanjutan V Tahap III Bonds	37.4	–
– Astra Sedaya Finance Euro Medium Term Note	–	51.3
– Astra Sedaya Finance Sukuk Mudharabah Berkelanjutan I Tahap I Bonds	–	12.4
– Federal International Finance Berkelanjutan III Tahap III Bonds	–	89.9
– Federal International Finance Berkelanjutan III Tahap IV Bonds	–	41.5
– Federal International Finance Berkelanjutan III Tahap V Bonds	89.6	–
– Federal International Finance Berkelanjutan IV Tahap I Bonds	65.6	–
– Federal International Finance Berkelanjutan IV Tahap II Bonds	–	60.4
– Federal International Finance Berkelanjutan V Tahap I Bonds	43.9	–
– Federal International Finance Berkelanjutan V Tahap II Bonds	68.2	–
– Federal International Finance Medium Term Notes	26.0	299.4
– SAN Finance Berkelanjutan II Tahap II Bonds	2.1	–
– SAN Finance Berkelanjutan III Tahap I Bonds	16.2	–
– Serasi Autoraya Berkelanjutan I Tahap I Bonds	–	14.6
– Other	2.8	5.2
	<b>2,689.9</b>	<b>4,159.7</b>

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 26 Borrowings (continued)

	Group	
	2021 US\$m	2020 US\$m
<b>Long-term borrowings</b>		
Bank loans	<b>3,331.0</b>	2,386.8
Astra Sedaya Finance Berkelanjutan III Tahap III Bonds	–	26.6
Astra Sedaya Finance Berkelanjutan III Tahap IV Bonds	–	14.1
Astra Sedaya Finance Berkelanjutan IV Tahap II Bonds	<b>40.1</b>	87.8
Astra Sedaya Finance Berkelanjutan IV Tahap III Bonds	<b>16.5</b>	66.3
Astra Sedaya Finance Berkelanjutan IV Tahap IV Bonds	<b>85.9</b>	86.8
Astra Sedaya Finance Berkelanjutan V Tahap I Bonds	<b>31.2</b>	30.9
Astra Sedaya Finance Berkelanjutan V Tahap II Bonds	<b>108.1</b>	–
Astra Sedaya Finance Berkelanjutan V Tahap III Bonds	<b>93.3</b>	–
Federal International Finance Berkelanjutan III Tahap V Bonds	–	90.6
Federal International Finance Berkelanjutan IV Tahap I Bonds	–	66.1
Federal International Finance Berkelanjutan IV Tahap II Bonds	<b>45.1</b>	45.8
Federal International Finance Berkelanjutan V Tahap I Bonds	<b>58.4</b>	–
Federal International Finance Berkelanjutan V Tahap II Bonds	<b>47.3</b>	–
Federal International Finance Medium Term Notes	–	29.0
SAN Finance Berkelanjutan II Tahap II Bonds	–	2.1
SAN Finance Berkelanjutan III Tahap I Bonds	–	16.4
Serasi Autoraya Berkelanjutan I Tahap I Bonds	<b>11.7</b>	11.8
Other	<b>1.7</b>	4.2
	<b>3,870.3</b>	2,965.3
Total borrowings	<b>6,560.2</b>	7,125.0
Secured	<b>177.4</b>	834.7
Unsecured	<b>6,382.8</b>	6,290.3
	<b>6,560.2</b>	7,125.0

## 26 Borrowings (continued)

At 31st December 2021, the Company has unsecured bank loans of US\$1,535.9 million in long-term borrowings (2020: nil) and US\$10.0 million (2020: US\$1,569.1 million) in current borrowings.

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

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Floating rate borrowings	<b>1,633.0</b>	2,475.5	<b>1,045.9</b>	1,569.1
Fixed rate borrowings:				
– within one year	<b>2,198.0</b>	2,025.2	–	–
– between one and two years	<b>1,583.9</b>	1,421.8	<b>500.0</b>	–
– between two and three years	<b>818.3</b>	747.1	–	–
– between three and four years	<b>112.4</b>	274.1	–	–
– between four and five years	<b>74.6</b>	75.8	–	–
– beyond five years	<b>140.0</b>	105.5	–	–
	<b>6,560.2</b>	7,125.0	<b>1,545.9</b>	1,569.1

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

	Weighted average interest rates %	Weighted average period outstanding Months	Fixed rate borrowings	Floating rate borrowings	Total
			US\$m	US\$m	US\$m
Currency:					
<b>Group</b>					
<b>2021</b>					
United States Dollar	<b>1.47</b>	<b>15</b>	<b>763.2</b>	<b>1,061.2</b>	<b>1,824.4</b>
Indonesian Rupiah	<b>6.98</b>	<b>22</b>	<b>4,164.0</b>	<b>251.8</b>	<b>4,415.8</b>
Malaysian Ringgit	<b>3.13</b>	–	–	<b>12.3</b>	<b>12.3</b>
Singapore Dollar	<b>1.11</b>	–	–	<b>307.7</b>	<b>307.7</b>
			<b>4,927.2</b>	<b>1,633.0</b>	<b>6,560.2</b>
<b>2020</b>					
United States Dollar	1.36	21	325.0	1,705.7	2,030.7
Indonesian Rupiah	7.26	21	4,324.5	440.6	4,765.1
Malaysian Ringgit	2.85	–	–	32.6	32.6
Singapore Dollar	0.90	–	–	296.6	296.6
			4,649.5	2,475.5	7,125.0

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 26 Borrowings (continued)

		Fixed rate borrowings	Floating rate borrowings	Total	
	Weighted average interest rates %	Weighted average period outstanding Months	US\$m	US\$m	US\$m
Currency:					
Company					
2021					
United States Dollar	1.12	12	500.0	750.0	1,250.0
Singapore Dollar	1.18	–	–	295.9	295.9
			500.0	1,045.9	1,545.9
2020					
United States Dollar	0.92	–	–	1,277.0	1,277.0
Singapore Dollar	0.94	–	–	292.1	292.1
			–	1,569.1	1,569.1

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	
	2021 US\$m	2020 US\$m
Bank loans	3,340.0	2,348.8
Bonds and other	559.4	599.0
	3,899.4	2,947.8

The fair values are based on market prices, or are estimated using the expected future payments discounted at market interest rates ranging from 2.95% to 8.93% per annum (2020: 4.00% to 12.39% per annum). This is in line with the definition of "observable current market transactions" under the fair value measurement hierarchy.

At 31st December 2021, bank loans and bonds amounting to US\$177.4 million (2020: US\$834.7 million) have been collateralised by property, plant and equipment, debtors, and financing debtors.

## 26 Borrowings (continued)

	Maturity	Interest rates	Nominal values	
			US\$m	Rp billion
Astra Sedaya Finance (“ASF”) Bonds and MTNs				
Secured				
ASF Berkelanjutan III Tahap III Bonds	2022	8.75%	26.3	375.0
ASF Berkelanjutan III Tahap IV Bonds	2022	7.65%	14.0	200.0
			40.3	575.0
Unsecured				
ASF Berkelanjutan IV Tahap II Bonds	2022-2024	8.80%-9.20%	90.6	1,293.0
ASF Berkelanjutan IV Tahap III Bonds	2022-2024	7.70%-7.95%	72.6	1,036.5
ASF Berkelanjutan IV Tahap IV Bonds	2023	7.00%	91.2	1,301.1
ASF Berkelanjutan V Tahap I Bonds	2023	7.60%	33.1	473.0
ASF Berkelanjutan V Tahap II Bonds	2022-2024	4.85%-6.35%	175.2	2,500.0
ASF Berkelanjutan V Tahap III Bonds	2022-2024	3.75%-5.30%	140.2	2,000.0
			602.9	8,603.6

The ASF Bonds were issued by a wholly-owned subsidiary of Astra and the secured ASF bonds are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 50% of the total outstanding principal of the bonds.

	Maturity	Interest rates	Nominal values	
			US\$m	Rp billion
Federal International Finance (“FIF”) Bonds and MTNs				
FIF Berkelanjutan III Tahap V Bonds	2022	8.80%	96.0	1,369.5
FIF Berkelanjutan IV Tahap I Bonds	2022	8.55%	73.0	1,042.3
FIF Berkelanjutan IV Tahap II Bonds	2023	7.25%	45.2	645.4
FIF Berkelanjutan V Tahap I Bonds	2022-2024	4.60%-6.25%	105.1	1,500.0
FIF Berkelanjutan V Tahap II Bonds	2022-2024	3.60%-5.30%	122.6	1,750.0
FIF Medium Term Notes	2022	7.99%	26.0	371.7
			467.9	6,678.9

The FIF Bonds were issued by a wholly-owned subsidiary of Astra and are unsecured.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 26 Borrowings (continued)

	Maturity	Interest rates	Nominal values	
			US\$m	Rp billion
SAN Finance Bonds				
SAN Finance Berkelanjutan II Tahap II Bonds	2022	9.25%	2.2	31.0
SAN Finance Berkelanjutan III Tahap I Bonds	2022	8.75%	19.7	281.0
			21.9	312.0

The SAN Finance Bonds were issued by a partly-owned subsidiary of Astra and the SAN Finance Berkelanjutan II Tahap II Bonds is collateralised by fiduciary guarantee over finance lease receivables of the subsidiary amounting to 60% of the total outstanding principal of the bonds. SAN Finance Berkelanjutan III Tahap I Bonds is unsecured.

	Maturity	Interest rates	Nominal values	
			US\$m	Rp billion
<b>Serasi Autoraya ("SERA") Bonds</b>				
SERA Berkelanjutan I Tahap I Bonds	2023	8.35%	11.7	167.0

The SERA Bonds was unsecured and issued by a wholly-owned subsidiary of Astra.

The movements in borrowings are as follows:

	Bank overdrafts	Long-term borrowings	Short-term borrowings	Total
	US\$m	US\$m	US\$m	US\$m
<b>Group</b>				
<b>2021</b>				
Balance at 1st January	–	2,965.3	4,159.7	7,125.0
Translation adjustments	–	(28.8)	(14.8)	(43.6)
Amortisation of borrowing costs	–	4.7	10.5	15.2
Transfer	–	(2,787.4)	2,787.4	–
Drawdown of borrowings	–	3,716.5	559.2	4,275.7
Repayment of borrowings	–	–	(4,812.1)	(4,812.1)
Balance at 31st December	–	3,870.3	2,689.9	6,560.2
<b>2020</b>				
Balance at 1st January	0.4	3,620.6	4,564.7	8,185.7
Translation adjustments	–	(3.3)	(106.0)	(109.3)
Amortisation of borrowing costs	–	1.5	10.3	11.8
Change in bank overdrafts	(0.4)	–	–	(0.4)
Transfer	–	(2,244.1)	2,244.1	–
Drawdown of borrowings	–	1,598.0	305.0	1,903.0
Repayment of borrowings	–	(7.4)	(2,858.4)	(2,865.8)
Balance at 31st December	–	2,965.3	4,159.7	7,125.0

## 27 Deferred Tax

	Accelerated tax depreciation & tax assets revaluation US\$m	Fair value (gains)/ losses US\$m	Provisions US\$m	Tax losses US\$m	Employee benefits & other US\$m	Total US\$m
<b>Group</b>						
<b>2021</b>						
Balance at 1st January	43.5	(283.1)	121.3	14.0	131.6	27.3
Translation adjustments	(0.9)	9.1	(1.8)	(0.2)	(1.4)	4.8
Credited/(charged) to profit and loss account (Note 7)	0.2	3.0	28.8	(6.3)	(9.2)	16.5
Credited/(charged) to other comprehensive income (Note 7)	–	(18.6)	–	–	2.7	(15.9)
Balance at 31st December	42.8	(289.6)	148.3	7.5	123.7	32.7
<b>2020</b>						
Balance at 1st January	54.4	(346.3)	105.8	9.4	119.4	(57.3)
Translation adjustments	21.2	(23.4)	(0.3)	–	(1.5)	(4.0)
Credited/(charged) to profit and loss account (Note 7)	(32.0)	86.5	15.7	4.6	11.5	86.3
Credited to other comprehensive income (Note 7)	–	4.8	–	–	1.3	6.1
Additions arising from acquisitions of subsidiaries (Note 38)	(0.1)	(4.7)	0.1	–	0.9	(3.8)
Balance at 31st December	43.5	(283.1)	121.3	14.0	131.6	27.3
	<b>Unremitted / Undistributed earnings</b>					
					<b>2021 US\$m</b>	<b>2020 US\$m</b>
<b>Company</b>						
Balance at 1st January					(6.3)	(6.2)
Translation adjustments					0.1	(0.1)
Balance at 31st December					(6.2)	(6.3)

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 27 Deferred Tax (continued)

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

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Deferred tax assets	391.6	370.8	–	–
Deferred tax liabilities	(358.9)	(343.5)	(6.2)	(6.3)
Balance at 31st December	32.7	27.3	(6.2)	(6.3)

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\$84.8 million (2020: US\$97.5 million) in respect of tax losses of US\$384.8 million in 2021 (2020: US\$455.2 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	
	2021 US\$m	2020 US\$m
Expiring in one year	54.8	82.0
Expiring in two years	94.1	68.9
Expiring in three years	111.8	104.6
Expiring in four years	67.7	107.5
Expiring beyond four years	56.4	92.2
	384.8	455.2

Deferred tax liabilities of US\$644.5 million (2020: US\$620.4 million) on temporary differences associated with investments in subsidiaries of US\$6,205.8 million (2020: US\$6,204.5 million) have not been recognised as there is no intention of remitting the retained earnings to the Company in the foreseeable future.

## 28 Pension Liabilities

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

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

	Group	
	2021 US\$m	2020 US\$m
Fair value of plan assets	39.6	43.2
Present value of funded obligations	(82.9)	(56.6)
	(43.3)	(13.4)
Present value of unfunded obligations	(351.8)	(374.9)
Impact of minimum funding requirement/asset ceiling	(1.5)	(1.1)
Net pension liabilities	(396.6)	(389.4)

The movement in the net pension liabilities is as follows:

	Fair value of plan assets US\$m	Present value of obligations US\$m	Total US\$m	Impact of minimum funding requirement/ asset ceiling US\$m	Net amount US\$m
<b>2021</b>					
Balance at 1st January	43.2	(431.5)	(388.3)	(1.1)	(389.4)
Translation adjustments	(0.5)	4.8	4.3	–	4.3
Current service cost	–	(31.7)	(31.7)	–	(31.7)
Interest income/(expense)	2.4	(28.8)	(26.4)	–	(26.4)
Past service cost and gains on settlement	–	20.9	20.9	–	20.9
	2.4	(39.6)	(37.2)	–	(37.2)
Remeasurements					
– return on plan assets, excluding amounts included in interest expense	0.9	–	0.9	–	0.9
– change in financial assumptions	–	(26.6)	(26.6)	–	(26.6)
– experience gains	–	17.3	17.3	–	17.3
– change in asset ceiling, excluding amounts included in interest expense	–	–	–	(0.4)	0.4
	0.9	(9.3)	(8.4)	(0.4)	(8.8)
Contributions from employers	7.9	–	7.9	–	7.9
Contribution from plan participants	0.4	(0.4)	–	–	–
Benefit payments	(14.7)	41.3	26.6	–	26.6
Balance at 31st December	39.6	(434.7)	(395.1)	(1.5)	(396.6)

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 28 Pension Liabilities (continued)

	Fair value of plan assets US\$m	Present value of obligations US\$m	Total US\$m	Impact of minimum funding requirement/ asset ceiling US\$m	Net amount US\$m
<b>2020</b>					
Balance at 1st January	52.0	(381.6)	(329.6)	(1.3)	(330.9)
Translation adjustments	(1.1)	3.5	2.4	–	2.4
Additions arising from acquisition of subsidiaries (Note 38)	–	(3.3)	(3.3)	–	(3.3)
Current service cost	–	(28.7)	(28.7)	–	(28.7)
Interest income/(expense)	3.4	(28.6)	(25.2)	–	(25.2)
Past service cost and gains on settlement	–	(12.3)	(12.3)	–	(12.3)
	3.4	(69.6)	(66.2)	–	(66.2)
Remeasurements					
– return on plan assets, excluding amounts included in interest expense	(2.5)	–	(2.5)	–	(2.5)
– change in demographic assumptions	–	0.2	0.2	–	0.2
– change in financial assumptions	–	0.4	0.4	–	0.4
– experience losses	–	(13.8)	(13.8)	–	(13.8)
– change in asset ceiling, excluding amounts included in interest expense	–	–	–	0.2	0.2
	(2.5)	(13.2)	(15.7)	0.2	(15.5)
Contributions from employers	2.4	–	2.4	–	2.4
Contribution from plan participants	0.5	(0.5)	–	–	–
Benefit payments	(11.5)	33.2	21.7	–	21.7
Balance at 31st December	43.2	(431.5)	(388.3)	(1.1)	(389.4)

## 28 Pension Liabilities (continued)

The weighted average duration of the defined benefit obligation at 31st December 2021 is 16 years (2020: 15 years).

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

	2021 US\$m	2020 US\$m
Less than a year	25.7	32.9
Between one and two years	18.8	20.3
Between two and five years	111.6	129.3
Between five and ten years	222.6	275.3
Between ten and fifteen years	330.4	369.8
Between fifteen and twenty years	626.1	613.6
Beyond twenty years	2,628.7	3,076.3
	3,963.9	4,517.5

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

	2021 %	2020 %
Discount rate	7	7
Salary growth rate	7	7

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

Impact on defined benefit obligation			
	Change in assumption	Increase in assumption US\$m	Decrease in assumption US\$m
Discount rate	1%	(54.7)	70.4
Salary growth rate	1%	74.9	(60.7)

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

## Notes to The Financial Statements (continued)

For the year ended 31st December 2021

### 28 Pension Liabilities (continued)

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

	2021 US\$m	2020 US\$m
Quoted investments:		
Equity instruments – Asia Pacific	14.5	14.2
Debt instruments – Asia Pacific		
– government	13.1	14.7
– corporate bonds (investment grade)	10.3	11.5
Total investments	37.9	40.4
Cash and cash equivalents	1.7	2.8
	39.6	43.2

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

#### *Asset volatility*

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

#### *Changes in bond yields*

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

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

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

The Group maintains an active and regular contribution schedule across all the plans. The contributions to all its plans in 2021 were US\$7.9 million and the estimated amount of contributions expected to be paid to the plans in 2022 is US\$4.7 million.

## 29 Share Capital Of The Company

	2021 US\$m	2020 US\$m
Issued and fully paid:		
Balance at 1st January and 31st December		
– 395,236,288 (2020: 395,236,288) ordinary shares	<b>1,381.0</b>	1,381.0

There is no par value for the ordinary shares. The Company did not hold any treasury shares as at 31st December 2021 and 2020.

## 30 Revenue Reserve

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Movements:				
Balance at 1st January	<b>6,937.7</b>	6,720.0	<b>471.7</b>	683.6
Defined benefit pension plans				
– remeasurements	<b>(2.5)</b>	(5.6)	–	–
– deferred tax	<b>0.7</b>	0.5	–	–
Share of associates' and joint ventures' remeasurements of defined benefit pension plans, net of tax	<b>(2.5)</b>	(5.8)	–	–
Profit attributable to shareholders	<b>660.6</b>	540.3	<b>207.1</b>	99.3
Dividends paid by the Company (Note 8)	<b>(204.7)</b>	(311.2)	<b>(204.7)</b>	(311.2)
Change in shareholding	<b>(14.9)</b>	(0.8)	–	–
Other	<b>(0.1)</b>	0.3	–	–
Balance at 31st December	<b>7,374.3</b>	6,937.7	<b>474.1</b>	471.7

The Group's revenue reserve includes actuarial loss on defined benefit pension plans of US\$46.7 million (2020: US\$51.0 million).

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 31 Other Reserves

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
<u>Composition:</u>				
Asset revaluation reserve	404.7	403.4	–	–
Translation reserve	(1,774.6)	(1,683.7)	326.2	375.9
Fair value reserve	16.5	18.5	–	–
Hedging reserve	(37.0)	(86.1)	–	–
Other reserve	3.3	3.3	–	–
Balance at 31st December	(1,387.1)	(1,344.6)	326.2	375.9
<u>Movements:</u>				
<i>Asset revaluation reserve</i>				
Balance at 1st January	403.4	403.4	–	–
Surplus on revaluation of assets	1.3	–	–	–
Balance at 31st December	404.7	403.4	–	–
<i>Translation reserve</i>				
Balance at 1st January	(1,683.7)	(1,611.0)	375.9	338.0
Translation difference	(90.9)	(72.7)	(49.7)	37.9
Balance at 31st December	(1,774.6)	(1,683.7)	326.2	375.9
<i>Fair value reserve</i>				
Balance at 1st January	18.5	12.2	–	–
Financial assets at FVOCI				
– fair value changes	(1.0)	9.2	–	–
– deferred tax	0.2	(0.1)	–	–
– transfer to profit and loss	(1.2)	1.1	–	–
Share of associates' and joint ventures' fair value changes of financial assets at FVOCI, net of tax	–	(2.3)	–	–
Other	–	(1.6)	–	–
Balance at 31st December	16.5	18.5	–	–
<i>Hedging reserve</i>				
Balance at 1st January	(86.1)	(48.8)	–	–
Cash flow hedges				
– fair value changes	40.4	(25.1)	–	–
– deferred tax	(8.1)	3.5	–	–
– transfer to profit and loss	–	1.4	–	–
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	16.8	(17.1)	–	–
Balance at 31st December	(37.0)	(86.1)	–	–
<i>Other reserve</i>				
Balance at 1st January and 31st December	3.3	3.3	–	–

## 32 Non-Controlling Interests

	Group	
	2021 US\$m	2020 US\$m
Balance at 1st January	8,332.5	8,124.4
Asset revaluation surplus		
– surplus on revaluation of assets	2.0	1.1
Financial assets at FVOCI		
– fair value changes	(1.1)	9.9
– deferred tax	0.3	(0.1)
– transfer to profit and loss	(1.3)	0.8
	(2.1)	10.6
Share of associates' and joint ventures' fair value changes of financial assets at FVOCI, net of tax	–	(2.2)
Cash flow hedges		
– fair value changes	55.1	(20.8)
– deferred tax	(11.0)	1.5
– transfer to profit and loss	–	1.4
	44.1	(17.9)
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	33.1	(35.2)
Defined benefit pension plans		
– remeasurements	(6.3)	(9.9)
– deferred tax	2.0	0.8
	(4.3)	(9.1)
Share of associates' and joint ventures' remeasurements of defined benefit pension plans, net of tax	(2.7)	(5.4)
Translation difference	(62.1)	(88.0)
Profit for the year	1,057.7	705.3
Issue of shares to non-controlling interests	36.5	38.9
Dividends paid	(313.8)	(390.6)
Change in shareholding	(92.5)	0.8
Other	(1.3)	(0.2)
Balance at 31st December	9,027.1	8,332.5

## Notes to The Financial Statements (continued)

For the year ended 31st December 2021

### 32 Non-Controlling Interests (continued)

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

Summarised balance sheet at 31st December:

	2021 US\$m	2020 US\$m
Current		
Assets	11,484.0	9,648.1
Liabilities	(7,251.0)	(6,056.7)
Total current net assets	4,233.0	3,591.4
Non-current		
Assets	14,225.4	14,346.2
Liabilities	(3,413.4)	(4,101.2)
Total non-current net assets	10,812.0	10,245.0
Net assets	15,045.0	13,836.4
Non-controlling interests	3,045.1	2,817.8

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

	2021 US\$m	2020 US\$m
Revenue	16,285.5	11,964.8
Profit after tax	1,738.6	1,176.6
Other comprehensive income	111.9	(102.5)
Total comprehensive income	1,850.5	1,074.1
Total comprehensive income allocated to non-controlling interests	397.2	133.8
Dividends paid to non-controlling interests	(124.0)	(134.8)

Summarised cash flows for the year ended 31st December:

	2021 US\$m	2020 US\$m
Cash generated from operations	2,970.9	2,868.5
Net interest and other financing costs paid	(18.6)	(147.2)
Income taxes paid	(343.1)	(321.2)
Dividend from associates	316.6	248.4
Net cash flows from operating activities	2,925.8	2,648.5
Net cash flows from investing activities	(660.5)	605.2
Net cash flows from financing activities	(1,139.6)	(1,703.7)
Net change in cash and cash equivalents	1,125.7	1,550.0
Cash and cash equivalents at 1st January	3,371.3	1,749.8
Effect of exchange rate changes	(15.4)	71.5
Cash and cash equivalents at 31st December	4,481.6	3,371.3

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

### 33 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	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
<b>(a) With associates and joint ventures:</b>				
Purchase of goods and services	(4,934.5)	(3,072.8)	–	–
Sale of goods and services	1,434.5	844.1	–	–
Commission and incentives earned	6.0	19.7	–	–
Dividend income	–	–	28.5	31.2
Interest received	18.0	25.2	–	–
<b>(b) With related companies and associates of ultimate holding company:</b>				
Management fees paid	(6.4)	(7.1)	(5.5)	(5.3)
Purchase of goods and services	(3.2)	(3.1)	(0.1)	(0.1)
Sale of goods and services	2.2	1.4	0.3	0.3
<b>(c) Remuneration of directors of the Company and key management personnel of the Group:</b>				
Salaries and other short-term employee benefits	(11.2)	(9.1)	(9.0)	(7.2)

### 34 Commitments

#### (a) Capital commitments

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

	Group		Company	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Authorised and contracted	106.3	85.0	–	–
Authorised but not contracted	282.0	249.0	–	–
	388.3	334.0	–	–

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 34 Commitments (continued)

### (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	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Lease rentals payable for short-term and low-value leases:				
– within one year	1.3	1.6	0.2	0.1
– between one and two years	0.1	–	0.1	–
	1.4	1.6	0.3	0.1
Lease rentals receivable:				
– within one year	99.8	87.6	–	–
– between one and two years	59.3	48.5	–	–
– between two and three years	26.1	23.4	–	–
– between three and four years	10.1	10.1	–	–
– between four and five years	4.4	5.3	–	–
– beyond five years	2.3	7.9	–	–
	202.0	182.8	–	–

## 35 Derivative Financial Instruments

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

	Group	
	Assets US\$m	Liabilities US\$m
<b>2021</b>		
Designated as cash flow hedges		
– cross-currency swap contracts	15.5	50.7
– interest rate swap contracts	0.1	4.2
– commodity zero collar	0.1	–
	15.7	54.9
Not qualifying as hedges		
– forward foreign exchange contracts	0.6	0.1

### 35 Derivative Financial Instruments (continued)

	Group	
	Assets US\$m	Liabilities US\$m
<b>2020</b>		
Designated as cash flow hedges		
– cross-currency swap contracts	8.8	118.4
– interest rate swap contracts	–	11.9
– forward commodity contracts	–	33.1
– commodity options	0.5	–
– commodity zero collar	–	5.3
	9.3	168.7
Not qualifying as hedges		
– forward foreign exchange contracts	1.6	0.1

**(a) Forward foreign exchange contracts**

The contract amounts of the outstanding forward foreign exchange contracts at 31st December 2021 were US\$129.0 million (2020: US\$156.7 million).

**(b) Interest rate swap contracts**

The notional principal amounts of the outstanding interest rate swap contracts at 31st December 2021 were US\$263.2 million (2020: US\$325.0 million). At 31st December 2021, the fixed interest rates range from 1.17% to 2.67% per annum (2020: 2.18% to 2.67% per annum).

Included in the outstanding amount, US\$88.2 million is directly impacted by the IBOR reform. These have carrying values of US\$0.1 million and US\$1.9 million included in debtors and creditors, respectively, at 31st December 2021.

**(c) Cross-currency swap contracts**

The contract amounts of the outstanding cross-currency swap contracts at 31st December 2021 were US\$2,052.4 million (2020: US\$2,599.0 million).

Included in the outstanding amount, US\$942.5 million is directly impacted by the IBOR reform. These have carrying values of US\$5.4 million and US\$30.0 million included in debtors and creditors, respectively, at 31st December 2021.

**(d) Forward commodity options**

There were no outstanding forward commodity options as at 31st December 2021 (2020: US\$152.0 million).

**(e) Commodity options**

The contract amounts of the outstanding commodity options at 31st December 2021 were US\$82.0 million (2020: US\$72.2 million).

**(f) Commodity zero collar**

The contract amounts of the outstanding commodity zero collar at 31st December 2021 were US\$37.4 million (2020: US\$286.2 million).

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 36 Insurance Contracts

	Group	
	2021 US\$m	2020 US\$m
Gross estimated claims (Note 23)	251.9	230.2
Claims payable	10.9	8.9
Unearned premiums (Note 23)	289.4	292.6
	552.2	531.7
Less: Reinsurers' share of estimated claims (Note 21)	(77.8)	(81.9)
Total insurance liabilities	474.4	449.8
The gross estimated claims and unearned premiums are analysed as follows:		
Non-current	52.0	53.9
Current	500.2	477.8
	552.2	531.7

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

### Movements in insurance liabilities and reinsurance assets

#### (a) Claims and loss adjustment expenses

	2021 US\$m	2020 US\$m
Balance at 1st January	157.2	104.9
Cash paid for claims settled in the period	(152.9)	(132.3)
Increase in liabilities		
– arising from current period claims	166.6	163.5
– arising from prior period claims	15.8	20.6
Translation adjustments	(1.7)	0.5
Total at 31st December	185.0	157.2
Notified claims	165.9	135.8
Incurred, but not reported	19.1	21.4
Total at 31st December	185.0	157.2

### 36 Insurance Contracts (continued)

#### Movements in insurance liabilities and reinsurance assets (continued)

##### (b) Unearned premium provision

	2021 US\$m	2020 US\$m
Balance at 1st January	292.6	334.9
Increase/(decrease)	0.2	(36.1)
Translation adjustments	(3.4)	(6.2)
Total at 31st December	289.4	292.6

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.

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 37 Cash Flows From Operating Activities

	Group	
	2021 US\$m	2020 US\$m
Profit before tax	2,233.6	1,480.4
<b>Adjustments for:</b>		
Financing income	(126.1)	(121.6)
Financing charges	178.4	258.6
Share of associates' and joint ventures' results after tax	(590.6)	(100.2)
Amortisation/depreciation of		
– intangible assets	151.8	126.7
– right-of-use assets	149.7	189.7
– property, plant and equipment	735.0	763.0
– bearer plants	27.3	26.7
Impairment of		
– intangible assets	13.9	33.9
– right-of-use assets	2.0	–
– property, plant and equipment	37.7	9.4
– debtors	217.4	361.4
Fair value (gain)/loss on		
– investment properties	3.1	(3.2)
– investments	130.9	(113.4)
– agricultural produce	(3.5)	(5.8)
– livestock	–	3.4
– derivative not qualifying as hedge	–	2.4
(Profit)/loss on disposal of:		
– intangible assets	1.0	1.3
– right-of-use assets	0.4	–
– property, plant and equipment	(20.1)	(22.2)
– associates and joint ventures	–	(428.5)
– investments	(2.5)	(1.7)
Loss on disposal/write-down of receivables from collateral vehicles	65.2	80.8
Amortisation of borrowing costs for financial services companies	8.4	9.5
(Reversal of write-down)/write-down of stocks	(2.6)	14.3
(Gain)/loss on modifications to lease term	(0.4)	4.4
Changes in provisions	4.3	37.2
Foreign exchange (gain)/loss	21.8	(22.6)
	1,002.5	1,103.5
<b>Operating profit before working capital changes</b>	<b>3,236.1</b>	<b>2,583.9</b>
<b>Changes in working capital</b>		
Properties for sale	10.9	2.6
Stocks	(319.8)	447.9
Concession rights	(15.6)	(9.8)
Financing debtors	(381.3)	135.2
Debtors	(416.9)	910.8
Creditors	979.9	(1,110.5)
Pensions	2.7	42.0
	(140.1)	418.2
<b>Cash flows from operating activities</b>	<b>3,096.0</b>	<b>3,002.1</b>

### 38 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	
	2021 US\$m	2020 US\$m
Bank balances and other liquid funds (Note 22)	4,588.8	3,497.6
Less: Bank overdraft (Note 26)	–	–
Cash and cash equivalent per consolidated statement of cash flows	4,588.8	3,497.6

#### (a) Purchase of subsidiaries

There were no subsidiaries acquired during the year.

The acquisitions in 2020 mainly comprised net cash outflow of US\$44.3 million for a 100% interest in PT Jakarta Marga Jaya, a toll road company and US\$7.3 million for a further 49.99% interest in PT Astra Aviva Life (subsequently renamed PT Asuransi Jiwa Astra), which brought the Group's ownership to 99.99%.

The fair values of the identifiable assets and liabilities at the acquisition dates of the subsidiaries acquired during 2020 as included in the comparative figures were provisional. The fair values were finalised in 2021. As the difference between the provisional and the finalised fair values were not material, the comparative figures have not been adjusted.

	2020 Fair value US\$m
Intangible assets (Note 10)	31.6
Right-of-use assets (Note 11)	2.0
Property, plant and equipment (Note 12)	3.6
Debtors	313.4
Associates (Note 16)	44.3
Investments (Note 17)	26.1
Deferred tax assets (Note 27)	1.0
Bank balances and other liquid funds	88.5
Lease liabilities (Note 25)	(1.0)
Deferred tax liabilities (Note 27)	(4.8)
Pension liabilities (Note 28)	(3.3)
Creditors	(379.1)
Net assets	122.3
Adjustment for non-controlling interests	–
Goodwill	56.6
Total consideration	178.9
Transfer of carrying value of associates and joint ventures	(38.6)
Cash paid for business combination	140.3
Cash and cash equivalents of subsidiaries acquired	(88.5)
Net cash flow from business combination	51.8

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 38 Notes To Consolidated Statement Of Cash Flows (continued)

### (b) Purchase of shares in associates and joint ventures

Purchase of shares in associates and joint ventures in 2021 mainly included US\$66.0 million for Astra's investment in toll road operators in Indonesia and US\$9.5 million for additional purchase of shares in Refrigeration Electrical Engineering Corporation.

Purchase of shares in associates and joint ventures in 2020 mainly included US\$24.0 million as payment for deferred consideration in PT Jasamarga Surabaya Mojokerto, a toll road operator in Indonesia, US\$1.2 million and US\$4.4 million for additional purchase of shares in Truong Hai Group Corporation and Refrigeration Electrical Engineering Corporation, respectively.

### (c) Sale of associates and joint ventures

There were no associates and joint ventures disposed during the year.

Sale of associates and joint ventures in 2020 mainly included US\$1,135.8 million received from the sale of Astra's 44.6% interest in Bank Permata.

### (d) Changes in controlling interests of subsidiaries

Change in controlling interests of subsidiaries in 2021 mainly included an outflow of US\$69.7 million for Astra's acquisition of additional interest in PT Astra Modern Land, US\$17.5 million and US\$18.8 million for acquisition of additional interests in Cycle and Carriage Bintang Berhad and Republic Auto Pte Ltd, respectively.

There were no changes in controlling interests of subsidiaries in 2020.

### (e) Cash outflows for leases

	2021 US\$m	2020 US\$m
Lease rentals paid	(175.2)	(200.8)
Additions to right-of-use assets	(13.3)	(18.1)
	(188.5)	(218.9)
The above cash outflows are included in		
– operating activities	(71.2)	(67.0)
– investing activities	(13.3)	(18.1)
– financing activities	(104.0)	(133.8)
	(188.5)	(218.9)

### 39 Segment Information

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

	Underlying business performance					Group US\$m
	Astra US\$m	Direct Motor Interests US\$m	Other Strategic Interests US\$m	Corporate costs US\$m	Non- trading items US\$m	
<b>2021</b>						
Revenue	16,285.5	1,402.5	–	–	–	17,688.0
Net operating costs	(14,496.1)	(1,358.1)	38.9	(41.1)	(136.3)	(15,992.7)
Operating profit	1,789.4	44.4	38.9	(41.1)	(136.3)	1,695.3
Financing income	125.8	0.2	–	0.1	–	126.1
Financing charges	(159.5)	(1.9)	–	(17.0)	–	(178.4)
Net financing charges	(33.7)	(1.7)	–	(16.9)	–	(52.3)
Share of associates' and joint ventures' results after tax	452.9	11.8	115.6	–	10.3	590.6
Profit before tax	2,208.6	54.5	154.5	(58.0)	(126.0)	2,233.6
Tax	(498.4)	(11.4)	(3.0)	(1.2)	(1.3)	(515.3)
Profit after tax	1,710.2	43.1	151.5	(59.2)	(127.3)	1,718.3
Non-controlling interests	(1,055.4)	(4.3)	–	–	2.0	(1,057.7)
Profit attributable to shareholders	654.8	38.8	151.5	(59.2)	(125.3)	660.6
Net cash/(debt) (excluding net debt of financial services companies)	2,233.1	34.5	–	(1,497.3)		770.3
Total equity	15,160.6	281.0	1,442.3	(488.6)		16,395.3

# Notes to The Financial Statements (continued)

For the year ended 31st December 2021

## 39 Segment Information (continued)

	Underlying business performance				Non-trading items US\$m	Group US\$m
	Astra US\$m	Direct Motor Interests US\$m	Other Strategic Interests US\$m	Corporate costs US\$m		
<b>2020</b>						
Revenue	11,964.8	1,269.4	–	–	–	13,234.2
Net operating costs	(11,041.8)	(1,241.3)	36.7	8.8	520.6	(11,717.0)
Operating profit	923.0	28.1	36.7	8.8	520.6	1,517.2
Financing income	121.2	0.3	–	0.1	–	121.6
Financing charges	(233.6)	(3.1)	–	(21.9)	–	(258.6)
Net financing charges	(112.4)	(2.8)	–	(21.8)	–	(137.0)
Share of associates' and joint ventures' results after tax	202.8	(2.3)	86.4	–	(186.7)	100.2
Profit before tax	1,013.4	23.0	123.1	(13.0)	333.9	1,480.4
Tax	(220.1)	(7.1)	(3.0)	(1.1)	(3.5)	(234.8)
Profit after tax	793.3	15.9	120.1	(14.1)	330.4	1,245.6
Non-controlling interests	(483.9)	(2.2)	–	–	(219.2)	(705.3)
Profit attributable to shareholders	309.4	13.7	120.1	(14.1)	111.2	540.3
Net cash/(debt) (excluding net debt of financial services companies)	626.4	39.1	–	(1,519.0)		(853.5)
Total equity	13,953.3	282.7	1,366.6	(296.0)		15,306.6

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

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

	Indonesia US\$m	Other US\$m	Total US\$m
<b>2021</b>			
Revenue	16,285.5	1,402.5	17,688.0
Non-current assets	10,204.7	1,605.9	11,810.6
<b>2020</b>			
Revenue	11,964.8	1,269.4	13,234.2
Non-current assets	10,414.8	1,539.2	11,954.0

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

#### 40 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.

#### 41 Reclassification Of Accounts

Certain comparative amounts have been reclassified for consistency with the presentation of the 2021 consolidated financial statements.

#### 42 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	
			2021 %	2020 %
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
• Cycle & Carriage Leasing Pte Ltd	Renting and leasing of private cars without operator	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 of vehicles and provision of after-sales services	Singapore	95.0	70.0
• Platinum Victory Pte Ltd	Investment holding	Singapore	100.0	100.0
Malaysia				
♦ Cycle & Carriage Bintang Berhad (Quoted on Bursa Malaysia)	Retail of vehicles and provision of after-sales services	Malaysia	89.0	59.1

## Notes to The Financial Statements (continued)

For the year ended 31st December 2021

### 42 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	
			2021 %	2020 %
Indonesia				
♦ PT Astra International Tbk (Quoted on the Indonesia Stock Exchange)	Investment holding and retail of vehicles and motorcycles	Indonesia	50.1	50.1
♦ PT United Tractors Tbk (Quoted on the Indonesia Stock Exchange)#	Distribution of heavy equipment	Indonesia	29.8	29.8
♦ PT Pamapersada Nusantara<	Coal mining contractor	Indonesia	29.8	29.8
♦ PT Acset Indonusa Tbk (Quoted on the Indonesia Stock Exchange)<	Construction services	Indonesia	24.5	19.3
♦ PT Astra Otoparts Tbk (Quoted on the Indonesia Stock Exchange)#	Manufacturing and distribution of automotive components	Indonesia	40.1	40.1
♦ PT Astra Agro Lestari Tbk (Quoted on the Indonesia Stock Exchange)#	Operation of oil palm plantations	Indonesia	39.9	39.9
♦ PT Federal International Finance#	Consumer finance for motorcycles	Indonesia	50.1	50.1
♦ PT Astra Sedaya Finance#	Consumer finance for vehicles	Indonesia	50.1	50.1
♦ PT Astra Graphia Tbk (Quoted on the Indonesia Stock Exchange)#	Provision of document, information and communication technology solutions	Indonesia	38.5	38.5

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	
			2021 %	2020 %
Indonesia				
♦ PT Toyota-Astra Motor	Distribution of Toyota vehicles	Indonesia	25.1	25.1
♦ PT Astra Daihatsu Motor	Manufacturing, assembly and distribution of Daihatsu vehicles	Indonesia	16.0	16.0
♦ PT Astra Honda Motor	Manufacturing, assembly, and distribution of Honda motorcycles	Indonesia	25.1	25.1
♦ PT Tunas Ridean Tbk (Quoted on the Indonesia Stock Exchange)	Retail of vehicles and motorcycles, leasing of vehicles and provision of consumer finance services	Indonesia	46.2	46.2

## 42 Principal Subsidiaries, Associates And Joint Ventures (continued)

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

Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity	
			2021 %	2020 %
Vietnam				
@ Truong Hai Group Corporation	Assembly, distribution and retail of vehicles, logistics, property development and agriculture	Vietnam	26.6	26.6
@ Refrigeration Electrical Engineering Corporation (Quoted on Ho Chi Minh Stock Exchange)	Mechanical and electrical engineering, real estate, and strategic investments in infrastructure	Vietnam	31.0	29.8
Myanmar				
✓ Cycle & Carriage Automobile Myanmar Company Limited*	Provision of after-sales services	Myanmar	60.0	60.0
✓ Cycle & Carriage Automobile Alliance Company Limited*	Retail of vehicles and provision of after-sales services	Myanmar	60.0	60.0
Thailand				
^ Siam City Cement Public Company Limited (Quoted on Stock Exchange of Thailand)	Manufacturing of cement, concrete and other building materials	Thailand	25.5	25.5

• Audited by PricewaterhouseCoopers LLP, Singapore.

♦ Audited by KAP Tanudiredja, Wibisana, Rintis & Rekan in Indonesia and PricewaterhouseCoopers, Malaysia, members of the worldwide PricewaterhouseCoopers organisation.

@ Audited by EY Vietnam, a member of the worldwide EY organisation.

✓ Audited by Win Thin & Associates in Myanmar.

^ Audited by EY Thailand, a member of the worldwide EY organisation.

# Direct interest more than 50% held by a subsidiary of the Group.

< Indirect subsidiary through PT United Tractors Tbk with direct ownership more than 50%.

\* Not consolidated as the entity is not controlled by the Group and is deemed to be a joint venture as the Group shares control of the entity.