

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
2022					
Within one year	46.7	116.2	162.1	40.4	365.4
Between one and two years	21.8	45.6	83.9	15.2	166.5
Between two and three years	41.5	20.4	1.0	–	62.9
Between three and four years	1.7	9.4	0.4	–	11.5
Between four and five years	1.2	4.9	0.1	–	6.2
Beyond five years	0.5	0.4	–	–	0.9
	113.4	196.9	247.5	55.6	613.4
2021					
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
	110.7	205.3	81.1	49.4	446.5

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	
	2022 US\$m	2021 US\$m	2022 US\$m	2021 US\$m
Cost of sales and services rendered	(16,885.1)	(13,922.9)	–	–
Other operating income	258.0	244.3	10.8	53.9
Selling and distribution expenses	(890.4)	(867.8)	–	–
Administrative expenses	(1,178.6)	(1,144.2)	(27.2)	(25.3)
Other operating expenses	(387.4)	(302.1)	(180.5)	(28.0)
	(19,083.5)	(15,992.7)	(196.9)	0.6

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31st December 2022

4 Net Operating Costs (continued)

	Group		Company	
	2022 US\$m	2021 US\$m	2022 US\$m	2021 US\$m
The following credits/(charges) are included in net operating costs:				
Amortisation/depreciation of:				
– intangible assets (Note 10)	(141.8)	(151.8)	–	–
– right-of-use assets (Note 11)	(141.1)	(149.7)	–	–
– property, plant and equipment (Note 12)	(694.4)	(735.0)	(0.8)	(0.9)
– bearer plants (Note 14)	(28.2)	(27.3)	–	–
Impairment of:				
– intangible assets (Note 10)	(1.1)	(13.9)	–	–
– right-of-use assets (Note 11)	–	(2.0)	–	–
– property, plant and equipment (Note 12)	(45.6)	(37.7)	–	–
– associates (Note 16) ⁽¹⁾	–	–	(114.0)	–
– financing debtors (Note 20)	(166.4)	(161.4)	–	–
– trade debtors (Note 21)	(11.9)	(24.2)	–	–
– other debtors (Note 21)	(1.8)	(13.0)	–	–
– contract assets (Note 21)	(1.2)	(18.8)	–	–
Fair value gain/(loss) on:				
– investment properties (Note 13)	(2.8)	(3.1)	–	–
– investments (Note 17)	(269.6)	(130.9)	(66.5)	46.7
– agricultural produce	(11.4)	3.5	–	–
– derivatives not qualifying as hedges	0.1	–	–	–
Profit/(loss) on disposal of:				
– intangible assets	(0.9)	(1.0)	–	–
– right-of-use assets	0.1	(0.4)	–	–
– property, plant and equipment	12.0	20.1	0.2	0.2
– investments	1.7	2.5	–	–
Loss on disposal/write-down of receivables from collateral vehicles	(37.3)	(65.2)	–	–
Stocks:				
– cost of stocks recognised as an expense (included in cost of sales and services rendered)	(11,342.3)	(9,755.3)	–	–
– write-down of stocks	(32.8)	(34.8)	–	–
– reversal of write-down of stocks made in previous years	22.8	37.4	–	–
(Provision)/write-back for:				
– motor vehicle warranties (Note 24)	(3.5)	(1.7)	–	–
– closure costs (Note 24)	0.8	–	–	–
– statutory employee entitlements (Note 24)	(19.1)	1.6	–	–
– other (Note 24)	(20.9)	(4.2)	–	–
Operating expenses arising from investment properties	(7.6)	(7.6)	–	–

(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	
	2022 US\$m	2021 US\$m	2022 US\$m	2021 US\$m
Expenses relating to low-value leases	(0.2)	(0.3)	–	–
Expenses relating to short-term leases	(71.5)	(59.6)	(0.3)	(0.3)
Expenses relating to variable lease payment not included in lease liabilities	(0.3)	(0.3)	–	–
Gain on lease modification or termination	1.1	0.4	–	–
Auditors' remuneration for:				
– audit services	(6.9)	(6.5)	(1.1)	(0.9)
– non-audit services	(2.9)	(2.1)	(0.4)	(0.4)
Net exchange gain/(loss)	18.2	(23.7)	4.6	(28.0)
Rental income from:				
– investment properties	1.1	2.6	–	–
– other properties	2.8	2.8	–	–
Dividend income from investments	50.3	48.0	5.6	6.6
Interest income from investments	51.7	50.9	–	–

In relation to the COVID-19 pandemic, the Group had received government grants, which were in support of employee retention of US\$0.5 million (2021: US\$3.1 million). Rent concessions of US\$0.04 million was received in 2021. These subsidies were accounted for as other operating income.

5 Employee Benefits

	Group		Company	
	2022 US\$m	2021 US\$m	2022 US\$m	2021 US\$m
Salaries and benefits in kind	1,543.0	1,439.7	13.6	13.6
Pension costs – defined contribution plans	17.1	16.7	0.4	0.3
Pension costs – defined benefit plans (Note 28)	11.4	37.2	–	–
	1,571.5	1,493.6	14.0	13.9

6 Net Financing Charges

	Group		Company	
	2022 US\$m	2021 US\$m	2022 US\$m	2021 US\$m
Interest expense on:				
– bank borrowings	(130.6)	(131.9)	(33.0)	(15.7)
– lease liabilities (Note 25)	(10.5)	(11.0)	–	–
– other borrowings	(3.1)	(5.2)	–	–
	(144.2)	(148.1)	(33.0)	(15.7)
Interest capitalised	4.7	5.2	–	–
Other finance costs	(38.7)	(35.5)	(1.6)	(1.4)
Financing charges	(178.2)	(178.4)	(34.6)	(17.1)
Financing income	120.0	126.1	0.7	0.1
	(58.2)	(52.3)	(33.9)	(17.0)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31st December 2022

7 Tax

Tax expense attributable to profit is made up of:

	Group		Company	
	2022 US\$m	2021 US\$m	2022 US\$m	2021 US\$m
Current tax:				
– Singapore	8.2	5.8	0.4	0.1
– Foreign	779.0	517.0	42.5	22.3
	787.2	522.8	42.9	22.4
Deferred tax (Note 27)	(24.0)	(16.5)	–	–
	763.2	506.3	42.9	22.4
Under-provision in prior years:				
– Current tax	8.1	9.0	–	–
	771.3	515.3	42.9	22.4

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	
	2022 US\$m	2021 US\$m	2022 US\$m	2021 US\$m
Profit before tax	3,227.2	2,233.6	262.9	229.5
Less: Share of associates' and joint ventures' results after tax	(575.4)	(590.6)	–	–
	2,651.8	1,643.0	262.9	229.5
Tax calculated at domestic tax rates applicable to profits in the respective countries	560.5	372.5	17.1	24.0
Income not subject to tax	(76.5)	(91.8)	(59.3)	(35.8)
Expenses not deductible for tax purposes	173.1	186.6	42.5	11.9
Utilisation of previously unrecognised tax losses	(4.3)	(11.5)	–	–
Utilisation of previously unrecognised temporary differences	(0.2)	–	–	–
Recognition of previously unrecognised tax losses	(0.5)	(0.3)	–	–
Deferred tax assets written off	0.4	–	–	–
Tax losses arising in the year not recognised	19.4	12.0	–	–
Temporary differences arising in the year not recognised	0.7	0.2	–	–
Withholding tax	87.8	36.2	42.6	22.3
Change in tax rates	2.8	2.4	–	–
Under-provision in prior years	8.1	9.0	–	–
	771.3	515.3	42.9	22.4

The effective tax rates for the Group and Company were 29% (2021: 31%) and 16% (2021: 10%), respectively.

7 Tax (continued)

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

	Group		Company	
	2022 US\$m	2021 US\$m	2022 US\$m	2021 US\$m
Revaluation of investments	–	0.5	–	–
Cash flow hedges	(7.6)	(19.1)	–	–
Defined benefit pension plans	(2.7)	2.7	–	–
	(10.3)	(15.9)	–	–

8 Dividends

At the Annual General Meeting in 2023, a final one-tier tax-exempt dividend in respect of 2022 of US\$83 per share amounting to a dividend of approximately US\$328.0 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 2023. The dividends paid in 2022 and 2021 were as follows:

	Group and Company	
	2022 US\$m	2021 US\$m
Final one-tier tax-exempt dividend in respect of previous year of US\$62 per share (2021: in respect of 2020 of US\$34)	245.2	133.2
Interim one-tier tax-exempt dividend in respect of current year of US\$28 per share (2021: US\$18)	111.8	71.5
	357.0	204.7

9 Earnings Per Share

	Group	
	2022 US\$m	2021 US\$m
Basic and diluted earnings per share		
Profit attributable to shareholders	739.8	660.6
Weighted average number of ordinary shares in issue (millions)	395.2	395.2
Basic earnings per share	US\$187	US\$167
Diluted earnings per share	US\$187	US\$167
Basic and diluted underlying earnings per share		
Underlying profit attributable to shareholders	1,096.2	785.9
Weighted average number of ordinary shares in issue (millions)	395.2	395.2
Basic underlying earnings per share	US\$277	US\$199
Diluted underlying earnings per share	US\$277	US\$199

As at 31st December 2022 and 2021, there were no dilutive potential ordinary shares in issue.