

**Prohibition of Sales to EEA Retail Investors** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRiIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRiIPs Regulation.

**Prohibition of Sales to UK Retail Investors** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). Consequently, no key information document required by the PRiIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRiIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRiIPs Regulation.

The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Pricing Supplement dated 20 April 2022

**PSA TREASURY PTE. LTD.**

(Legal Entity Identifier: 254900X7FR3V7789SL36)

Issue of S\$650,000,000 2.88 per cent. Guaranteed Notes due 2027  
guaranteed by PSA International Pte Ltd  
under the U.S.\$5,000,000,000 Global Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Memorandum dated 7 February 2022 (the “**Offering Memorandum**”). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Memorandum. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. This Pricing Supplement, together with the information set out in the Schedules

hereto, supplements the Offering Memorandum and supersedes the information in the Offering Memorandum to the extent inconsistent with the information included therein.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the “ITA”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

<b>1</b>	(i) Issuer:	PSA Treasury Pte. Ltd.
	(ii) Guarantor:	PSA International Pte Ltd
<b>2</b>	(i) Series Number:	12
	(ii) Tranche Number:	1
<b>3</b>	Specified Currency or Currencies	Singapore dollars (“S\$”)
<b>4</b>	Aggregate Nominal Amount:	
	(i) Series:	S\$650,000,000
	(ii) Tranche:	S\$650,000,000
<b>5</b>	Issue Price:	99.907 per cent. of the Aggregate Nominal Amount
<b>6</b>	(i) Specified Denominations:	S\$250,000
	(i) Calculation Amount:	S\$250,000
<b>7</b>	(i) Issue Date:	27 April 2022
	(ii) Interest Commencement Date:	Issue Date
<b>8</b>	Maturity Date:	27 April 2027
<b>9</b>	Interest Basis:	2.88 per cent. Fixed Rate
<b>10</b>	Redemption/Payment Basis	Redemption at par
<b>11</b>	Change of Interest or Redemption	Not Applicable
<b>12</b>	Put/Call Options	Not Applicable
<b>13</b>	(i) Status of the Notes:	Senior
	(i) Status of the Guarantee:	Senior
<b>14</b>	Listing:	SGX-ST
<b>15</b>	Method of distribution:	Syndicated

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

<b>16</b>	Fixed Rate Note Provisions:	Applicable
	(i) Rate of Interest:	2.88 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	27 April and 27 October in each year
	(iii) Fixed Coupon Amount:	Not Applicable
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/365 (Fixed)
	(vi) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
<b>17</b>	Floating Rate Note Provisions:	Not Applicable
<b>18</b>	Variable Rate Note Provisions:	Not Applicable
<b>19</b>	Zero Coupon Note Provisions:	Not Applicable
<b>20</b>	Index-Linked Interest Note Provisions:	Not Applicable
<b>21</b>	Variable Rate Note Provisions:	Not Applicable
<b>22</b>	Dual Currency Note Provisions:	Not Applicable

## PROVISIONS RELATING TO REDEMPTION

<b>23</b>	Call Option:	Not Applicable
<b>24</b>	Put Option	Not Applicable
<b>25</b>	VRN Purchase Option:	Not Applicable
<b>26</b>	Final Redemption Amount of each Note	S\$250,000 per Calculation Amount
<b>27</b>	Early Redemption Amount Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/ or the method of calculating the same (if required or if different from that set out in the Conditions):	S\$250,000

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

<b>28</b>	Form of Notes:	Registered Notes Global Certificate exchangeable for Definitive Certificates only upon an Exchange Event
<b>29</b>	Financial Centre(s) or other special provisions relating to Payment Dates:	Singapore

<b>30</b>	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
<b>31</b>	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
<b>32</b>	Details relating to Instalment Notes: amount of each instalment (" <b>Instalment Amount</b> "), date on which each payment is to be made (" <b>Instalment Date</b> "):	Not Applicable
<b>33</b>	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
<b>34</b>	Consolidation provisions:	Not Applicable
<b>35</b>	Other terms or special Conditions:	Not Applicable
<b>36</b>	(i) If syndicated, names of Managers:	DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited
	(ii) Stabilising Manager (if any):	Not Applicable

#### **DISTRIBUTION**

<b>37</b>	If non-syndicated, name of Dealer:	Not Applicable
<b>38</b>	Additional selling restrictions:	Not Applicable. The Notes will be offered pursuant to the requirements of Regulation S, Cat 2

#### **OPERATIONAL INFORMATION**

<b>39</b>	ISIN Code:	To be obtained
<b>40</b>	Common Code:	To be obtained
<b>41</b>	CUSIP:	Not Applicable
<b>42</b>	Any clearing system(s) other than The Central Depository (Pte) Limited, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	Not Applicable
<b>43</b>	Delivery:	Delivery free of payment
<b>44</b>	Additional Paying Agent(s) (if any):	Not Applicable

## **GENERAL**

<b>45</b>	Rating:	The Notes are rated Aa1 by Moody's Investors Service, Inc
<b>46</b>	Applicable Governing Document	Amended and Restated Trust Deed dated 29 March 2016 and Amended and Restated Singapore Supplemental Trust Deed dated 29 March 2016, each between PSA International Pte Ltd, PSA Treasury Pte. Ltd. and the Trustee
<b>47</b>	Governing Law	Singapore law

## **USE OF PROCEEDS**

The net proceeds from the issuance of the Notes will be used for financing the general corporate funding requirements or investments of PSA International Pte Ltd and/or its subsidiaries and joint ventures (including financing new acquisitions and investments, refinancing of existing borrowings, working capital, capital expenditure and other general funding requirements).

## **PURPOSE OF PRICING SUPPLEMENT**

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Notes described herein pursuant to the U.S.\$5,000,000,000 Global Medium Term Note Programme of PSA International Pte Ltd and PSA Treasury Pte. Ltd.


## **RESPONSIBILITY**

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of PSA Treasury Pte. Ltd. as Issuer:

By:  .....

Duly authorised

By:  .....

Duly authorised

Signed on behalf of PSA International Pte Ltd as Guarantor:

By:   
.....

Duly authorised

By:   
.....

Duly authorised

## SCHEDULE 1

*The Offering Memorandum is hereby supplemented with the following information, which shall be deemed to be incorporated in, and to form part of, the Offering Memorandum. Save as otherwise defined herein, terms defined in the Offering Memorandum have the same meaning when used in this Schedule.*

1. The section “*Selling Restrictions – Singapore*” appearing on pages 4 and 5 of the Offering Memorandum shall be deleted in its entirety and replaced with the following:

**“Selling Restrictions – Singapore.** This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or



- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the “**SFA**” is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

For a description of other restrictions, see “*Subscription and Sale*” and “*Transfer Restrictions*”.

2. The section “*Summary – Orchestrating Supply Chain Solutions, Leveraging on the Group’s Assets*” shall be amended by deleting the following paragraph appearing on page 14 of the Offering Memorandum:

“On 24 November 2021, the PSA Group signed an agreement to acquire 100 per cent. of the shares of BDP International Inc. (“**BDP**”), a leading provider of global integrated supply chain, transportation and logistics solutions. The transaction is subject to formal approvals by the relevant authorities and other customary closing conditions, and the process is expected to take several months. The PSA Group will benefit from BDP’s global expertise in end-to-end supply chain services while BDP can leverage on the PSA Group’s network of assets worldwide.”

and replacing it with the following:

“On 24 November 2021, the PSA Group signed an agreement to acquire 100 per cent. of the shares of BDP International Inc. (“**BDP**”), a leading provider of globally integrated supply chain, transportation and logistics solutions. The transaction completed in April 2022. The PSA Group will benefit from BDP’s global expertise in end-to-end supply chain services while BDP can leverage on the PSA Group’s network of assets worldwide.”

3. The section “*Overview of the Programme – Ratings*” shall be amended by deleting the following sentence appearing on page 23 of the Offering Memorandum:

“PSAI has been assigned a credit rating of Aa1 (stable) by Moody’s and AA (stable) by Standard and Poor’s.”

and replacing it with the following:

“PSAI has been assigned a credit rating of Aa1 (stable) by Moody’s.”

4. The section “*Risk Factors – Factors that may affect the ability of PSAI or PSA Treasury to fulfil its respective obligations under Notes issued under the Programme – Regulation, compliance and legal and other proceedings*” shall be amended by deleting the following sentence appearing on page 29 of the Offering Memorandum:

“The PSA Group expects to consummate the acquisition in the first half of 2022, subject to the receipt of required regulatory approvals and satisfaction of other customary closing conditions.”

and replacing it with the following:

“The acquisition completed in April 2022.”

5. The section “*Risk Factors – Factors that may affect the ability of PSAI or PSA Treasury to fulfil its respective obligations under Notes issued under the Programme – Credit ratings assigned to PSAI and/or the Notes*” shall be amended by deleting the following sentence appearing on page 32 of the Offering Memorandum:

“PSAI has been assigned a credit rating of Aa1 (stable) by Moody’s and AA (stable) by Standard & Poor’s.”

and replacing it with the following:

“PSAI has been assigned a credit rating of Aa1 (stable) by Moody’s.”

6. The section “*PSAI and the PSA Group – Business Overview -- Orchestrating Supply Chain Solutions, Leveraging on the Group’s Assets*” shall be amended by deleting the following paragraph appearing on page 54 of the Offering Memorandum:

“On 24 November 2021, the PSA Group signed an agreement to acquire 100 per cent. of the shares of BDP, a leading provider of global integrated supply chain, transportation and logistics solutions. The transaction is subject to formal approvals by the relevant authorities and other customary closing conditions, and the process is expected to take several months.”

and replacing it with the following:

“On 24 November 2021, the PSA Group signed an agreement to acquire 100 per cent. of the shares of BDP, a leading provider of globally integrated supply chain, transportation and logistics solutions. The transaction completed in April 2022.”

7. The section “*PSAI and the PSA Group – Description of Terminals Business – Canada*” appearing on pages 58 and 59 of the Offering Memorandum shall be supplemented by inserting the following at the end of the section:

“Subsequent to the PSA Group’s acquisition of Ceres Halifax Inc in 2022, the PSA Group operates two container terminals in Halifax, namely Atlantic Hub and Fairview Cove, jointly branded as PSA Halifax. The Atlantic Hub terminal, located at the south end of the city of Halifax, has invested in capabilities which allows it to handle mega vessels. The Fairview Cove terminal, located at the north end of the city, will complement Atlantic Hub’s existing operations for vessels with a capacity of up to 8,000 TEU as part of its integrated offerings.”

**SCHEDULE 2**  
**PSA INTERNATIONAL PTE LTD AND ITS SUBSIDIARIES**  
**ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

**PSA International Pte Ltd and its Subsidiaries**  
**Registration Number: 197200399R**

Annual Report  
Year ended 31 December 2021

## **Directors' statement**

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 December 2021.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS73 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 31 December 2021 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## **Directors**

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

Mr Peter Robert Voser	(Group Chairman)
Mr Tan Chong Meng	(Group Chief Executive Officer)
Mr Foo Ji-Xun	(Appointed on 1 November 2021)
Mr Frank Kwong Shing Wong	
Ms Jeanette Wong Kai Yuan	
Mr Kaikhushru Shiavax Nargolwala	
Mr Pang Kin Keong	
Mr Tan Tiang Yew Irving	(Appointed on 1 April 2021)
Ms Tang Ai Ai	(Appointed on 1 November 2021)
Mr Tommy Thomsen	

## **Directors' interests**

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
<b>Tan Chong Meng</b> Sembcorp Marine Ltd - Ordinary shares	N.A. <sup>1</sup>	14,500,000
<b>Foo Ji-Xun</b> Singapore Airlines Limited - Ordinary shares	313,920	313,920
<b>Frank Kwong Shing Wong</b> Mapletree North Asia Commercial Trust Management Ltd. - Unit holdings in Mapletree North Asia Commercial Trust	1,369,000 <sup>2</sup>	2,639,000 <sup>3</sup>
Singapore Airlines Limited - Ordinary shares	210,000	—
<b>Jeanette Wong Kai Yuan</b> Ascendas Funds Management (S) Limited - Unit holdings in Ascendas Real Estate Investment Trust	350,000	150,000
CapitaLand Limited - Ordinary shares	15,000	N.A. <sup>4</sup>
CapitaLand Investment Limited - Ordinary shares	N.A.	15,000 <sup>5</sup>
CapitaLand Integrated Commercial Trust Management Limited - Unit holdings in CapitaLand Integrated Commercial Trust	—	2,320 <sup>5</sup>
CapitaLand China Trust Management Limited (formerly known as CapitaLand Retail China Trust Management Limited) - Unit holdings in CapitaLand China Trust (formerly known as CapitaLand Retail China Trust)	225,000	225,000
Mapletree Logistics Trust Management Ltd. - Unit holdings in Mapletree Logistics Trust	125,000	—
Singapore Airlines Limited - Ordinary shares	16,500	16,500
- Mandatory Convertible Bonds	19,470	53,955
Singapore Technologies Engineering Ltd - Ordinary shares	10,000	—
Singapore Telecommunications Limited - Ordinary shares	17,821	17,821

<b>Name of director and corporation in which interests are held</b>	<b>Holdings at beginning of the year/date of appointment</b>	<b>Holdings at end of the year</b>
<b>Kaikhushru Shiavax Nargolwala</b>		
Ascendas Funds Management (S) Limited		
- Unit holdings in Ascendas Real Estate Investment Trust	114,000 <sup>2</sup>	234,000 <sup>2</sup>
CapitaLand Integrated Commercial Trust Management Limited		
- Unit holdings in CapitaLand Integrated Commercial Trust	100,000 <sup>2</sup>	100,000 <sup>2</sup>
Mapletree Industrial Trust Management Ltd.		
- Unit holdings in Mapletree Industrial Trust	–	168,000 <sup>2</sup>
Mapletree Real Estate Advisors Pte. Ltd.		
- Unit holdings in Mapletree Global Student Accommodation Private Trust	4,608 <sup>6</sup>	4,608 <sup>6</sup>
SIA Engineering Company Limited		
- Ordinary shares	105,000 <sup>2</sup>	105,000 <sup>2</sup>
Singapore Technologies Engineering Ltd		
- Ordinary shares	87,000 <sup>2</sup>	87,000 <sup>2</sup>
Singapore Telecommunications Limited		
- Ordinary shares	556,000 <sup>2</sup>	556,000 <sup>2</sup>
<b>Tang Ai Ai</b>		
Singapore Telecommunications Limited		
- Ordinary shares	190	190

<sup>1</sup> Became a related corporation during the financial year.

<sup>2</sup> Held in trust by trustee company on behalf of the director.

<sup>3</sup> Includes interest in 1,369,000 unit holdings in Mapletree North Asia Commercial Trust, held in trust by trustee company on behalf of the director.

<sup>4</sup> Delisted from SGX-ST on 21 September 2021.

<sup>5</sup> Pursuant to the scheme of arrangement undertaken by CapitaLand Limited (“CL”) and CLA Real Estate Holdings Pte. Ltd. (“CLA”) as set out in the scheme document dated 17 July 2021, each eligible CL ordinary shareholder (excluding CLA) received a scheme consideration comprising 1 CapitaLand Investment Limited share, 0.154672686 units in CapitaLand Integrated Commercial Trust and S\$0.951 in cash.

<sup>6</sup> Held in trust by trustee company on behalf of the director and consists of 2,304 Class A and 2,304 Class B units respectively.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## **Share options**

During the financial year, there were:

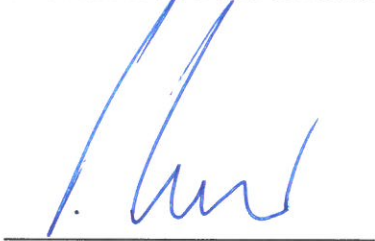
- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

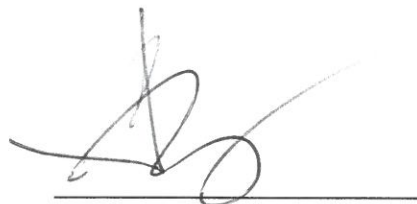
## **Auditors**

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



**Peter Robert Voser**  
*Director*



**Tan Chong Meng**  
*Director*

2 March 2022



## Independent auditors' report

Member of the Company  
PSA International Pte Ltd

### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of PSA International Pte Ltd (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2021, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS73.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967, Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS) 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 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

#### *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 '*Auditors' responsibilities for the audit of the financial statements*' section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *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 of the current period. 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.

<p>Impairment assessment of goodwill (\$482.0 million)  (Refer to notes 2.1, 2.6 and 4 to the financial statements)</p>	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group has goodwill for which SFRS(I) 1-36 <i>Impairment of Assets</i> requires at least an annual impairment assessment. This assessment involves management identifying the cash-generating units (CGUs) to which the goodwill relates and estimating the recoverable amounts of the CGUs. An impairment is recognised when the recoverable amounts of the CGUs are lower than the carrying amounts of the CGUs goodwill and operating assets comprising intangibles and property plant and equipment.</p> <p>The recoverable amounts of the CGUs are determined based on assumptions of expected growth in revenue, gross margin and discount rates. These estimates require judgement and is a key focus area of our audit.</p>	<p>We assessed the Group's process over setting annual budgets on which the cash flow projections are based.</p> <p>We assessed the key assumptions on revenue growth rates and operating profit margins applied in the cash flow projections based on our knowledge of the CGUs' operations and compared them against economic and industry forecasts. This included making enquiries with management to understand their future plans around growth and capital expenditures.</p> <p>We assessed the methodology and key inputs used to derive the discount rates, including comparison with comparable companies.</p> <p>We performed sensitivity analysis around the key assumptions to assess the extent of the change that would be required for the assets to be impaired.</p> <p>We also assessed the adequacy of the Group's disclosures on the CGUs' key assumptions used and sensitivity of the outcome of the impairment assessment to changes in key assumptions.</p>

Valuation of trade and accrued receivables (\$575.0 million) (Refer to notes 2.1, 2.8, 12 and 13 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The collectability of trade and accrued receivables is considered a key audit matter due to the inherent subjectivity that was involved in estimating expected credit losses (ECL).</p>	<p>We tested key controls over the Group's credit review and collection process. This included reviewing the Group's process to identify and monitor ECL, as well as the Group's basis of making allowance for ECL.</p> <p>We identified a sample of outstanding balances of significant amounts for collectability assessment individually. Where the debt is subject to dispute or potential dispute, we reviewed management's assessment of collectability and the Group's rights under the contracts to assess the reasonableness of recorded allowance amount.</p> <p>We compared the Group's views of collectability of outstanding amounts to historical patterns of receipts and cash received subsequent to year end.</p>

*Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have obtained the Directors' statement and Group financial highlights prior to the date of this auditors' report.

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 obtained prior to the date of this auditors' 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.

*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) and IFRS, 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.

*Auditors' 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 auditors' 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 controls.
- Obtain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 auditors' 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 auditors' 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 controls 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 auditors' report unless the law or regulations preclude 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 auditors' report is Quek Shu Ping.

A handwritten signature in black ink, appearing to read 'K. S. Quek', written over a light blue horizontal line.

**KPMG LLP**

*Public Accountants and  
Chartered Accountants*

**Singapore**

2 March 2022

**Statements of financial position**  
**As at 31 December 2021**

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Assets</b>					
Property, plant and equipment	3	6,137,245	5,931,401	648	645
Intangible assets	4	2,598,693	2,535,758	45,511	39,803
Right-of-use assets	5	908,778	998,104	5,136	–
Subsidiaries	6	–	–	10,620,056	10,748,602
Associates	7	3,469,194	3,204,997	–	–
Joint ventures	8	3,659,256	3,576,976	–	–
Financial assets	9	1,915,905	1,360,025	100,619	86,704
Other non-current assets	10	214,603	202,005	7,512	12,648
Deferred tax assets	11	39,126	39,349	–	–
<b>Non-current assets</b>		<b>18,942,800</b>	<b>17,848,615</b>	<b>10,779,482</b>	<b>10,888,402</b>
Inventories		51,210	45,799	–	–
Trade and other receivables	12	980,843	1,080,561	270,745	200,274
Cash and bank balances	15	3,685,049	4,396,964	2,100,737	2,811,376
<b>Current assets</b>		<b>4,717,102</b>	<b>5,523,324</b>	<b>2,371,482</b>	<b>3,011,650</b>
<b>Total assets</b>		<b>23,659,902</b>	<b>23,371,939</b>	<b>13,150,964</b>	<b>13,900,052</b>
<b>Equity</b>					
Share capital	16	1,135,372	1,135,372	1,135,372	1,135,372
Accumulated profits and other reserves	17	12,786,828	11,230,788	9,827,879	9,242,978
<b>Equity attributable to owner of the Company</b>		<b>13,922,200</b>	<b>12,366,160</b>	<b>10,963,251</b>	<b>10,378,350</b>
<b>Non-controlling interests</b>		<b>740,050</b>	<b>760,056</b>	<b>–</b>	<b>–</b>
<b>Total equity</b>		<b>14,662,250</b>	<b>13,126,216</b>	<b>10,963,251</b>	<b>10,378,350</b>
<b>Liabilities</b>					
Borrowings	18	4,319,645	4,204,340	891,715	1,535,896
Lease liabilities	18	974,601	1,062,473	–	–
Provisions	19	12,554	10,624	–	–
Other non-current obligations	20	526,507	451,079	338,123	264,431
Deferred tax liabilities	11	679,877	497,902	18,447	9,964
<b>Non-current liabilities</b>		<b>6,513,184</b>	<b>6,226,418</b>	<b>1,248,285</b>	<b>1,810,291</b>
Borrowings	18	488,428	2,224,525	–	905,882
Lease liabilities	18	53,416	58,190	5,233	–
Trade and other payables	21	1,765,927	1,464,509	924,815	784,283
Current tax payable		176,697	272,081	9,380	21,246
<b>Current liabilities</b>		<b>2,484,468</b>	<b>4,019,305</b>	<b>939,428</b>	<b>1,711,411</b>
<b>Total liabilities</b>		<b>8,997,652</b>	<b>10,245,723</b>	<b>2,187,713</b>	<b>3,521,702</b>
<b>Total equity and liabilities</b>		<b>23,659,902</b>	<b>23,371,939</b>	<b>13,150,964</b>	<b>13,900,052</b>

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

**Consolidated income statement**  
**Year ended 31 December 2021**

	<b>Note</b>	<b>2021</b> <b>\$'000</b>	<b>2020</b> <b>\$'000</b>
Revenue	23	4,669,840	4,178,938
Other income	24	228,134	224,264
Staff and related costs	25	(1,196,424)	(1,013,887)
Contract services		(677,109)	(551,897)
Running, repair and maintenance costs		(426,956)	(342,094)
Other operating expenses		(414,809)	(433,188)
Property taxes		(31,773)	(23,524)
Depreciation and amortisation		(759,858)	(748,007)
<b>Profit from operations</b>	26	1,391,045	1,290,605
Finance costs	27	(195,848)	(239,314)
Share of profit of associates, net of tax		210,214	187,202
Share of profit of joint ventures, net of tax		276,504	174,249
<b>Profit before income tax</b>		1,681,915	1,412,742
Income tax expense	28	(253,994)	(221,507)
<b>Profit for the year</b>		1,427,921	1,191,235
 <b>Profit attributable to:</b>			
Owner of the Company		1,381,192	1,168,072
Non-controlling interests		46,729	23,163
<b>Profit for the year</b>		1,427,921	1,191,235

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



**Consolidated statement of comprehensive income**  
**Year ended 31 December 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit for the year</b>	1,427,921	1,191,235
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to income statement:</b>		
Defined benefit plan remeasurements	1,041	(887)
Net change in fair value of equity investments at FVOCI	528,446	60,989
Income tax on other comprehensive income	(142,797)	(2,570)
	<u>386,690</u>	<u>57,532</u>
<b>Items that are or may be reclassified subsequently to income statement:</b>		
Exchange differences of foreign operations	72,381	(68,135)
Exchange differences on monetary items forming part of net investment in foreign operations	(11,990)	64,153
Exchange differences on hedge of net investment in a foreign operation	(47,730)	62,684
Inflation adjustment for the year	52,740	27,725
Effective portion of changes in fair value of cash flow hedges	57,782	8,440
Net change in fair value of cash flow hedges reclassified to income statement	(30,974)	(19,405)
Share of reserves in associates	96,851	55,694
Share of reserves in joint ventures	(3,117)	1,830
Reserves reclassified to income statement on disposal of subsidiaries	–	(382)
Reserves reclassified to income statement on disposal of a joint venture	–	340
Income tax on other comprehensive income	(348)	940
	<u>185,595</u>	<u>133,884</u>
<b>Other comprehensive income for the year, net of tax</b>	<u>572,285</u>	<u>191,416</u>
<b>Total comprehensive income for the year</b>	<u>2,000,206</u>	<u>1,382,651</u>
<b>Total comprehensive income attributable to:</b>		
Owner of the Company	1,967,329	1,359,460
Non-controlling interests	32,877	23,191
<b>Total comprehensive income for the year</b>	<u>2,000,206</u>	<u>1,382,651</u>

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

**Consolidated statement of changes in equity**  
**Year ended 31 December 2021**

	Share capital \$'000	Capital reserve \$'000	Insurance reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total attributable to owner of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2020	1,135,372	20,036	97,357	(1,093,028)	(6,215)	(323,977)	11,676,052	11,505,597	713,686	12,219,283
<b>Total comprehensive income for the year</b>										
Profit for the year	–	–	–	–	–	–	1,168,072	1,168,072	23,163	1,191,235
<b>Other comprehensive income</b>										
Exchange differences of foreign operations	–	–	–	(65,382)	–	–	–	(65,382)	(2,753)	(68,135)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	–	64,153	–	–	–	64,153	–	64,153
Exchange differences on hedge of net investment in a foreign operation	–	–	–	62,684	–	–	–	62,684	–	62,684
Inflation adjustment for the year	–	–	–	27,725	–	–	–	27,725	–	27,725
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	236	–	–	236	8,204	8,440
Net change in fair value of cash flow hedges reclassified to income statement	–	–	–	–	(11,776)	–	–	(11,776)	(7,629)	(19,405)
Net change in fair value of equity investments at FVOCI	–	–	–	–	–	58,783	–	58,783	2,206	60,989
Share of reserves in associates	–	(17,824)	–	26,553	–	46,965	–	55,694	–	55,694
Share of reserves in joint ventures	–	–	–	658	191	–	981	1,830	–	1,830
Reserves reclassified to income statement on disposal of subsidiaries	–	–	–	(382)	–	–	–	(382)	–	(382)
Reserves reclassified to income statement on disposal of a joint venture	–	–	–	340	–	–	–	340	–	340
Defined benefit plan remeasurements	–	–	–	–	–	–	(887)	(887)	–	(887)
Income tax on other comprehensive income	–	–	–	–	940	1,239	(3,809)	(1,630)	–	(1,630)
<b>Total other comprehensive income</b>	–	(17,824)	–	116,349	(10,409)	106,987	(3,715)	191,388	28	191,416
<b>Total comprehensive income for the year</b>	–	(17,824)	–	116,349	(10,409)	106,987	1,164,357	1,359,460	23,191	1,382,651

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

**Consolidated statement of changes in equity (cont'd)**  
**Year ended 31 December 2021**

	Share capital \$'000	Capital reserve \$'000	Insurance reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total attributable to owner of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Hedging gains and losses and costs of hedging transferred to property, plant and equipment	-	-	-	-	(543)	-	-	(543)	-	(543)
<b>Transactions with owner, recorded directly in equity</b>										
<b>Contributions by and distributions to owner of the Company</b>										
Capital contribution by non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	31,886	31,886
Dividends paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	(37,005)	(37,005)
Interim tax-exempt dividend declared and paid of \$0.82 per share	-	-	-	-	-	-	(500,000)	(500,000)	-	(500,000)
<b>Total contributions by and distributions to owner of the Company</b>	-	-	-	-	-	-	(500,000)	(500,000)	(5,119)	(505,119)
<b>Changes in ownership interests in subsidiaries</b>										
Acquisition of interest in a subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	14,876	14,876
Disposal of interest in subsidiaries to non-controlling interests, with change in control	-	-	-	327	-	(1,105)	2,424	1,646	13,422	15,068
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	327	-	(1,105)	2,424	1,646	28,298	29,944
<b>At 31 December 2020</b>	1,135,372	2,212	97,357	(976,352)	(17,167)	(218,095)	12,342,833	12,366,160	760,056	13,126,216

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

**Consolidated statement of changes in equity (cont'd)**  
**Year ended 31 December 2021**

	Share capital \$'000	Capital reserve \$'000	Insurance reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total attributable to owner of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2021	1,135,372	2,212	97,357	(976,352)	(17,167)	(218,095)	12,342,833	12,366,160	760,056	13,126,216
<b>Total comprehensive income for the year</b>										
Profit for the year	–	–	–	–	–	–	1,381,192	1,381,192	46,729	1,427,921
<b>Other comprehensive income</b>										
Exchange differences of foreign operations	–	–	–	88,571	–	–	–	88,571	(16,190)	72,381
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	–	(11,990)	–	–	–	(11,990)	–	(11,990)
Exchange differences on hedge of net investment in a foreign operation	–	–	–	(47,730)	–	–	–	(47,730)	–	(47,730)
Inflation adjustment for the year	–	–	–	52,740	–	–	–	52,740	–	52,740
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	47,482	–	–	47,482	10,300	57,782
Net change in fair value of cash flow hedges reclassified to income statement	–	–	–	–	(22,758)	–	–	(22,758)	(8,216)	(30,974)
Net change in fair value of equity investments at FVOCI	–	–	–	–	–	528,192	–	528,192	254	528,446
Transfer of reserve	–	–	–	–	–	525	(525)	–	–	–
Share of reserves in associates	–	30,265	–	(25,747)	–	92,333	–	96,851	–	96,851
Share of reserves in joint ventures	–	–	–	236	–	(2,681)	(672)	(3,117)	–	(3,117)
Defined benefit plan remeasurements	–	–	–	–	–	–	1,041	1,041	–	1,041
Income tax on other comprehensive income	–	–	–	–	(348)	(139,581)	(3,216)	(143,145)	–	(143,145)
<b>Total other comprehensive income</b>	–	30,265	–	56,080	24,376	478,788	(3,372)	586,137	(13,852)	572,285
<b>Total comprehensive income for the year</b>	–	30,265	–	56,080	24,376	478,788	1,377,820	1,967,329	32,877	2,000,206

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

**Consolidated statement of changes in equity (cont'd)**  
**Year ended 31 December 2021**

	Share capital \$'000	Capital reserve \$'000	Insurance reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total attributable to owner of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
Hedging gains and losses and costs of hedging transferred to property, plant and equipment	-	-	-	-	383	-	-	383	-	383
<b>Transactions with owner, recorded directly in equity</b>										
<b>Contributions by and distributions to owner of the Company</b>										
Capital contribution by non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	540	540
Dividends paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	(61,598)	(61,598)
Final tax-exempt dividend declared and paid of \$0.33 per share	-	-	-	-	-	-	(200,000)	(200,000)	-	(200,000)
Interim tax-exempt dividend declared and paid of \$0.33 per share	-	-	-	-	-	-	(200,000)	(200,000)	-	(200,000)
<b>Total contributions by and distributions to owner of the Company</b>	-	-	-	-	-	-	(400,000)	(400,000)	(61,058)	(461,058)
<b>Changes in ownership interests in subsidiaries</b>										
Acquisition of interest in a subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	13,595	13,595
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(11,672)	(11,672)	(5,420)	(17,092)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	(11,672)	(11,672)	8,175	(3,497)
<b>At 31 December 2021</b>	<b>1,135,372</b>	<b>32,477</b>	<b>97,357</b>	<b>(920,272)</b>	<b>7,592</b>	<b>260,693</b>	<b>13,308,981</b>	<b>13,922,200</b>	<b>740,050</b>	<b>14,662,250</b>

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

**Consolidated statement of cash flows**  
**Year ended 31 December 2021**

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Profit for the year		1,427,921	1,191,235
Adjustments for:			
Depreciation and amortisation		759,858	748,007
Impairment made for:			
Intangible assets		5,176	65,000
Property, plant and equipment		4,003	39,995
Joint ventures		13,384	–
Net change in fair value of equity investments at FVTPL		(83)	(426)
Net fair value gain on fair value hedge		(1,058)	–
(Gain)/loss on disposal of:			
Financial assets		(431)	(175)
Intangible assets		845	1,731
Joint ventures		–	(50,749)
Property, plant and equipment		276	(4,890)
Subsidiary		(8,707)	–
Dividend income from financial assets		(57,458)	(38,100)
Interest income		(77,359)	(108,633)
Share of profit of associates, net of tax		(210,214)	(187,202)
Share of profit of joint ventures, net of tax		(276,504)	(174,249)
Finance costs	27	195,848	239,314
Income tax expense	28	253,994	221,507
		<u>2,029,491</u>	<u>1,942,365</u>
Changes in working capital:			
Inventories		(5,411)	(2,588)
Trade and other receivables		70,715	(100,656)
Trade and other payables		358,770	231,976
Cash generated from operations		<u>2,453,565</u>	<u>2,071,097</u>
Income tax paid		<u>(309,950)</u>	<u>(208,813)</u>
<b>Net cash from operating activities</b>		<u>2,143,615</u>	<u>1,862,284</u>

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

**Consolidated statement of cash flows (cont'd)**  
**Year ended 31 December 2021**

	<b>Note</b>	<b>2021</b> <b>\$'000</b>	<b>2020</b> <b>\$'000</b>
<b>Cash flows from investing activities</b>			
Dividends received		399,332	221,318
Interest received		48,713	76,745
Purchase of property, plant and equipment and intangible assets		(823,610)	(590,573)
Proceeds from disposal of property, plant and equipment and intangible assets		21,781	36,781
Purchase of financial assets		(25,027)	(356)
Investment in an associate		(8,925)	–
Investments in and loans to joint ventures		(56,046)	(14,496)
Repayment of loans provided to joint ventures		37,438	10,868
Loan to a non-controlling shareholder of a subsidiary		(19,600)	(9,800)
Acquisition of interests in subsidiaries, net of cash acquired	32	(157,546)	(206,350)
Acquisition of interest in a subsidiary from non-controlling interests, without a change in control		(17,092)	–
Disposal of interest in a subsidiary to non-controlling interests, with a change in control, net of cash disposed	32	9,948	–
Proceeds from disposal of interest in subsidiaries to non-controlling interest, without a change in control		–	15,068
Proceeds from disposal of a joint venture		–	69,351
Proceeds from disposal of financial assets		14,387	2,328
Capital reduction in a joint venture		10,012	–
<b>Net cash used in investing activities</b>		<b>(566,235)</b>	<b>(389,116)</b>
<b>Cash flows from financing activities</b>			
Proceeds from bank loans and notes		607,365	2,532,505
Repayment of bank loans and notes		(2,279,982)	(2,186,135)
Proceeds from loans from joint venture		134,103	190,476
Repayment of loans from joint venture		(2,143)	(2,278)
Payment of lease liabilities		(69,263)	(62,655)
Capital contribution by non-controlling shareholders of subsidiaries		540	31,886
Dividends paid to owner of the Company		(400,000)	(500,000)
Dividends paid to non-controlling shareholders of subsidiaries		(61,598)	(37,005)
Interest paid		(207,937)	(237,882)
<b>Net cash used in financing activities</b>		<b>(2,278,915)</b>	<b>(271,088)</b>
<b>Net (decrease)/increase in cash and bank balances</b>		<b>(701,535)</b>	<b>1,202,080</b>
Cash and bank balances at beginning of the year		4,396,964	3,188,073
Translation differences		(10,380)	6,811
<b>Cash and bank balances at end of the year</b>	15	<b>3,685,049</b>	<b>4,396,964</b>

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

## **Notes to the financial statements**

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 2 March 2022.

### **1 Domicile and activities**

PSA International Pte Ltd (the Company) is incorporated in the Republic of Singapore and has its registered office at 1 Harbour Drive, PSA Horizons, #03-00, Singapore 117352.

The principal activities of the Company are investment holding and the provision of consultancy services on port management, port operations and information technology. The principal activities of the subsidiaries are mainly those of providers of port, marine, software development and IT related services.

The immediate and ultimate holding company during the financial year is Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interests in associates and joint ventures.

### **2 Summary of significant accounting policies**

#### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise specified.

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise presented.

On 1 January 2021, the Group has adopted the new and revised SFRS(I), amendments to and interpretations of SFRS(I) that are mandatory for the financial year beginning 1 January 2021. The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.



The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### ***Critical accounting estimates***

#### *Impairment of property, plant and equipment, intangible assets and right-of-use assets*

The Group has significant tangible and intangible assets in its business. Changes in technology or changes in the intended use of these assets may cause the estimated period of use or value of these assets to change.

Assets that have an infinite useful life are tested for impairment annually. Assets that are subject to depreciation and amortisation are reviewed to determine whether there is any indication that the carrying amounts of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in the income statement.

Management judgement is required in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying amount of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate.

#### *Impairment of trade receivables*

The Group assesses whether there are indicators that financial assets have been impaired at each reporting date. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy and default, or significant delay in payments are indicators that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the market, economic or legal environment in which the debtor operates.

#### *Depreciation and amortisation*

Depreciation and amortisation of non-financial assets constitute significant operating costs for the Group. The costs of these non-financial assets are charged as depreciation or amortisation expense over the estimated useful lives of the respective assets using the straight-line method. The Group periodically reviews changes in technology and industry conditions, asset retirement activities and residual values to determine adjustments to estimated remaining useful lives and depreciation or amortisation rates.

Actual economic lives may differ from estimated useful lives. Periodic reviews could result in a change in depreciable or amortisable lives and therefore depreciation or amortisation expense in future periods.

Residual values of the port assets are estimated after considering the price that could be recovered from the sale of the port assets and the expected age and condition at the end of their useful lives, after deducting the estimated costs of disposal.

## **2.2 Basis of consolidation**

### ***Business combinations***

Business combinations are accounted for under the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

### ***Subsidiaries***

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been adjusted where necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

### ***Loss of control***

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

### ***Associates and joint ventures***

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Associates and joint ventures are accounted for in the consolidated financial statements under the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition results and reserves of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. The latest audited financial statements of the associates and joint ventures are used and where these are not available, unaudited financial statements are used. Any differences between the unaudited financial statements and the audited financial statements obtained subsequently are adjusted for in the subsequent financial year.

The Group's investments in equity-accounted investees include goodwill on acquisition and other intangible assets acquired from business combinations. Where the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

### ***Transactions with non-controlling interests***

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests, which are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, at fair value or at the proportionate share of the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value at acquisition date.

Changes in the Group's ownership interest in a subsidiary that do not result in a change in control are accounted for as transactions with owners in their capacity as owners and therefore the carrying amounts of assets and liabilities are not changed and goodwill and bargain purchase gain are not recognised as a result of such transactions. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Any difference between the adjustment to non-controlling interests and the fair value of consideration paid or received is recognised directly in equity and presented as part of equity attributable to owner of the Company.

### ***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### ***Accounting for subsidiaries, associates and joint ventures***

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

## **2.3 Foreign currencies**

### ***Foreign currency transactions***

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the income statement, except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective (see note 2.7), which are recognised in other comprehensive income.

### ***Foreign operations***

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the average exchange rates for the year.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income and presented within equity in foreign currency translation reserve. However, if the operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

For foreign operations in hyperinflationary economies, the income statement and non-monetary items in the foreign operation's statement of financial position are first restated to reflect changes in the general purchasing power of the foreign operation's functional currency based on the inflation rate up to the reporting date, with the resultant adjustment taken to the foreign operation's income statement as a net gain or loss on monetary items. All amounts (i.e. assets, liabilities, equity items, income and expenses) are then translated to Singapore dollars at the exchange rates prevailing at the reporting date, with the differences from opening balances recognised in other comprehensive income, and presented within equity in foreign currency translation reserve.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve is reclassified to the income statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

#### ***Net investment in a foreign operation***

Foreign exchange gains and losses arising from monetary items, that in substance form part of the Group's net investment in a foreign operation, are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve. When the net investment is disposed of, the relevant amount in the foreign currency translation reserve is reclassified to the income statement as an adjustment to the gain or loss arising on disposal.

## **2.4 Property, plant and equipment**

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use, and an estimated cost of dismantling and removing the items and restoring the site on which they are located when the Group has an obligation to remove the assets or restore the site, and capitalised borrowing costs, where applicable.

Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net in the income statement.

#### ***Subsequent costs***

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

## **Depreciation**

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of property, plant and equipment to its estimated residual value over the estimated useful life (or lease term, if shorter) of each component of an item of property, plant and equipment.

Estimated useful lives are as follows:

Leasehold land	20 to 80 years
Buildings	10 to 60 years
Wharves, hardstanding and roads	5 to 33 years
Plant, equipment and machinery	3 to 25 years
Floating crafts	6 to 25 years
Dry-docking costs	2 to 5 years
Motor vehicles	3 to 15 years
Computers	3 to 5 years

No depreciation is provided on capital work-in-progress until the related property, plant and equipment is ready for use. Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

## **2.5 Intangible assets**

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with infinite useful lives or not ready for use are stated at cost less accumulated impairment losses.

### **Goodwill**

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill arising on the acquisition of associates and joint ventures is presented together with investments in associates and joint ventures.

Goodwill represents the excess of:

- the fair value of the consideration transferred; plus
  - the recognised amount of any non-controlling interests in the acquiree; plus
  - if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree
- over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Goodwill is measured at cost less accumulated impairment losses and is subject to testing for impairment, as described in note 2.6.

### **Computer software**

Computer software, which is acquired and subscribed by the Group, where it is not an integral part of the related hardware, is treated as an intangible asset. Computer software is amortised in the income statement on a straight-line basis over its estimated useful lives of 3 to 10 years, from the date on which it is ready for use.

### ***Software development costs***

Development expenditure attributable to projects, where the technical feasibility and commercial viability of which are reasonably assured, is capitalised and amortised over the time period for which the tangible benefits of the projects are expected to be realised. Software development costs are not amortised until the completion date and when the software is ready for use. Amortisation is charged to the income statement on a straight-line basis over estimated useful lives of 3 to 10 years.

### ***Port concession, port use and other operating rights***

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value upon initial recognition by reference to the fair value of the services provided. Subsequent to initial recognition the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

The expenditures incurred in relation to the right to operate a port are capitalised as port use rights. These rights are amortised in the income statement on a straight-line basis over their estimated useful lives of 21 to 42 years.

### ***Research costs***

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.

### ***Other intangible assets***

Other intangible assets which are acquired by the Group are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the income statement on a straight-line basis over estimated useful lives of 2 to 21 years.

### ***Capital work-in-progress***

No amortisation is provided on capital work-in-progress until the intangible asset is ready for use.

## **2.6 Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. Goodwill and other non-financial assets with infinite useful lives or not yet available for use are tested for impairment at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in the income statement unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

## **2.7 Financial instruments**

### ***Non-derivative financial instruments***

Non-derivative financial instruments comprise investments in equity securities, other non-current assets, trade and other receivables, cash and bank balances, other non-current liabilities, trade and other payables, and borrowings.



Cash and cash equivalents comprise cash balances, bank deposits, and bank overdrafts. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire, or it transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised when the Group's contractual obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial instruments (unless it is a trade receivable without a significant financing component) are initially measured at fair value plus, for non-derivative financial instruments not at fair value through profit or loss (FVTPL), any directly attributable transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

#### ***Non-derivative financial assets***

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through other comprehensive income (FVOCI) for equity investments or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The determination of the classification at initial recognition into each of the measurement category and the subsequent measurement for each measurement category are as described below.

#### ***(a) Financial assets at amortised cost***

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

**(b) *Equity investments at FVOCI***

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the income statement.

**(c) *Financial assets at FVTPL***

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the income statement.

***Non-derivative financial liabilities***

Non-derivative financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the income statement.

***Derivative financial instruments and hedge accounting***

The Group holds derivative financial instruments to hedge its foreign exchange, fuel price and interest rate risk exposures. The use of hedging instruments is governed by the Group's policies which provide written principles on the use of financial instruments consistent with the Group's risk management strategy.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item in assessing whether they have values that generally move in the opposite direction because of the same hedged risk.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as follows:

**(a) Cash flow hedges**

Changes in the fair value of the derivative designated as a hedging instrument of a cash flow hedge is recognised in other comprehensive income and presented within equity in the hedging reserve to the extent the hedge is effective, limited to the cumulative change in fair value of the hedged item from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation revoked, then hedge accounting is discontinued prospectively.

The cumulative gain or loss previously recognised in equity in the hedging reserve remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is reclassified to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in equity is transferred to the income statement in the same period that the hedged item affects the income statement.

If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to the income statement.

**(b) Fair value hedges**

Changes in the fair value of a derivative designated as a hedging instrument of a fair value hedge are recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in the income statement and the carrying amount of the hedged item is adjusted.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised or the designation is revoked, then hedge accounting is discontinued prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

**(c) Hedge of net investment in a foreign operation**

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income and presented within equity in the foreign currency translation reserve, to the extent that the hedge is effective. The ineffective foreign currency differences are recognised in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in foreign currency translation reserve is reclassified to the income statement as an adjustment to the gain or loss on disposal when the investment in the foreign operation is disposed.

**(d) Economic hedges**

Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in the income statement as part of foreign currency gains and losses.

**(e) Separable embedded derivatives**

Changes in the fair value of separable embedded derivatives are recognised immediately in the income statement.

## **2.8 Impairment of financial assets**

The Group recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost; and
- contract assets (as defined in SFRS(I) 15).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

### ***Simplified approach***

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

### ***General approach***

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

### ***Measurement of ECLs***

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

### ***Credit-impaired financial assets***

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

### ***Presentation of allowance for ECLs in the statement of financial position***

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

### ***Write-off***

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

## **2.9 Financial guarantees**

Financial guarantee contracts issued by the Company to external parties on behalf of entities within the Group are accounted for as insurance contracts. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

## **2.10 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.

*As a lessee*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities separately in the statements of financial position.

**Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## COVID-19-related rent concessions

The Group has applied *COVID-19-Related Rent Concessions beyond 30 June 2021 – Amendment to SFRS(I) 16*, following a 12 months extension of the practical expedient to the 2020 amendment. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances.

### *As a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

## 2.11 Inventories

Inventories mainly comprise stores and consumables which are valued at cost of purchase (including cost incurred in bringing the inventories to their present location and condition) on a weighted average cost method less any applicable allowance for obsolescence. When inventories are consumed, the carrying amount of these inventories is recognised as an expense in the year in which the consumption occurs.

## 2.12 Employee benefits

### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when incurred.

### *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligations in respect of defined benefit plans are calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value.

### *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

## **2.13 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

## **2.14 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

## **2.15 Revenue recognition**

### *Income from services*

Income from port and marine services rendered is recognised at a point in time and income from consultancy services is generally recognised over time, when the Group satisfies a performance obligation by transferring service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to each satisfied performance obligation. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services.

### *License fee*

License fee represents fees earned from the sale of license of software to customers and is recognised when the customer takes delivery of the software, and the criteria for acceptance have been satisfied.

### *System development revenue*

System development contracts of less than 12 months' duration and completed within the financial year are recognised at a point in time based on the completed contract method. System development for longer-term contracts are recognised over time. The stage of completion is typically assessed by reference to work performed based on the ratio of costs incurred to date to the estimated total costs for each contract.

### *Service concession arrangements*

Revenue related to construction or upgrade services under a service concession arrangement is recognised over time based on the percentage of completion of the work performed. The percentage of completion is assessed by reference to surveys of work performed. The related costs are recognised in the income statement when they are incurred. Operation or service revenue is recognised in the period in which the services are provided by the Group. If the service concession arrangement contains more than one performance obligation, then the consideration received is allocated with reference to the relative stand-alone selling prices of the services delivered.



### ***Dividend income***

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

### ***Interest income***

Interest income is recognised as it accrues, using the effective interest method, except where the collection is contingent upon certain conditions being met, then such income is recognised when received.

## **2.16 Government grants**

Government grants are recognised in the statement of financial position initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised in the income statement on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the asset.

## **2.17 Finance costs**

Finance costs comprise interest expense on borrowings which includes reclassifications of net losses previously recognised in other comprehensive income and the unwinding of the discount on provisions. All borrowing costs are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of a qualifying asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

## **2.18 Income tax expense**

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and joint ventures to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## **2.19 Non-current assets held for sale or distribution**

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter, the assets (or disposal group) are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured under different rules in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment losses.

## **2.20 Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Executive Committee and Senior Management Council of the Company to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

### 3 Property, plant and equipment

Group	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Wharves, hard- standing and roads \$'000	Plant, equipment and machinery \$'000	Floating crafts and dry-docking costs \$'000	Motor vehicles \$'000	Computers \$'000	Capital work-in- progress \$'000	Total \$'000
<b>Cost</b>										
At 1 January 2020	75,158	1,481,018	743,663	2,684,994	5,509,773	432,307	31,917	217,491	998,500	12,174,821
Reclassifications	–	–	111,847	20,718	145,896	31,584	1,572	9,497	(321,114)	–
Additions	–	–	5,299	6,161	70,040	16,288	697	5,261	434,929	538,675
Acquisition of subsidiaries	–	–	2,654	–	72,408	113,768	453	4,025	926	194,234
Disposals	–	–	(19,996)	(6,238)	(56,926)	(39,064)	(351)	(4,458)	–	(127,033)
Transferred to intangible assets	–	–	–	–	–	–	–	(125)	(5,507)	(5,632)
Translation differences on consolidation	(140)	–	14,869	15,212	79,579	(3,593)	121	2,495	4,522	113,065
At 31 December 2020	75,018	1,481,018	858,336	2,720,847	5,820,770	551,290	34,409	234,186	1,112,256	12,888,130
Reclassifications	6,720	173,016	115,136	110,219	245,808	9,679	8,234	22,624	(691,436)	–
Additions	3,408	–	903	10,182	19,488	5,467	978	3,382	789,304	833,112
Acquisition of subsidiaries	4,873	–	20,997	–	7,454	–	5,089	1,589	76	40,078
Disposals	–	(7,960)	(4,346)	(571)	(48,905)	(13,554)	(1,164)	(2,190)	(8,042)	(86,732)
Disposal of a subsidiary	–	–	(14,285)	(1,924)	(17,116)	–	–	(910)	–	(34,235)
Transferred to intangible assets	–	–	–	–	–	–	–	–	(16)	(16)
Translation differences on consolidation	1,438	–	(10,062)	(14,047)	(79,781)	5,278	48	(2,320)	(1,356)	(100,802)
At 31 December 2021	91,457	1,646,074	966,679	2,824,706	5,947,718	558,160	47,594	256,361	1,200,786	13,539,535

Group	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Wharves, hard- standing and roads \$'000	Plant, equipment and machinery \$'000	Floating crafts and dry-docking costs \$'000	Motor vehicles \$'000	Computers \$'000	Capital work-in- progress \$'000	Total \$'000
<b>Accumulated depreciation and impairment losses</b>										
At 1 January 2020	–	934,493	453,736	1,499,130	3,050,343	179,942	21,833	165,835	–	6,305,312
Depreciation charge for the year	–	50,104	33,016	114,134	310,139	36,717	2,441	18,103	–	564,654
Acquisition of subsidiaries	–	–	2,229	–	42,267	46,387	290	3,537	–	94,710
Disposals	–	–	(19,949)	(3,113)	(55,729)	(28,107)	(317)	(4,432)	–	(111,647)
Transferred to intangible assets	–	–	–	–	–	–	–	(125)	–	(125)
Impairment losses	–	34,885	22	5,083	5	–	–	–	–	39,995
Translation differences on consolidation	–	–	10,117	8,326	45,168	(1,802)	68	1,953	–	63,830
At 31 December 2020	–	1,019,482	479,171	1,623,560	3,392,193	233,137	24,315	184,871	–	6,956,729
Reclassifications	–	–	152	–	(2,662)	–	5,195	(2,685)	–	–
Depreciation charge for the year	–	45,341	37,076	111,754	315,328	38,942	3,493	20,736	–	572,670
Acquisition of subsidiaries	–	–	9,913	–	5,661	–	3,697	1,260	–	20,531
Disposals	–	(7,960)	(4,337)	(399)	(47,931)	(12,316)	(1,139)	(1,983)	–	(76,065)
Disposal of a subsidiary	–	–	(9,607)	(363)	(5,795)	–	–	(882)	–	(16,647)
Impairment losses	–	3,664	2	336	1	–	–	–	–	4,003
Translation differences on consolidation	–	–	(7,259)	(7,387)	(46,969)	4,744	(47)	(2,013)	–	(58,931)
At 31 December 2021	–	1,060,527	505,111	1,727,501	3,609,826	264,507	35,514	199,304	–	7,402,290
<b>Carrying amounts</b>										
At 1 January 2020	75,158	546,525	289,927	1,185,864	2,459,430	252,365	10,084	51,656	998,500	5,869,509
At 31 December 2020	75,018	461,536	379,165	1,097,287	2,428,577	318,153	10,094	49,315	1,112,256	5,931,401
At 31 December 2021	91,457	585,547	461,568	1,097,205	2,337,892	293,653	12,080	57,057	1,200,786	6,137,245

<b>Company</b>	<b>Plant, equipment and machinery \$'000</b>	<b>Motor vehicles \$'000</b>	<b>Computers \$'000</b>	<b>Capital work-in- progress \$'000</b>	<b>Total \$'000</b>
<b>Cost</b>					
At 1 January 2020	643	346	2,006	–	2,995
Additions	–	–	507	–	507
Disposals	(71)	–	(48)	–	(119)
At 31 December 2020	572	346	2,465	–	3,383
Additions	123	–	37	62	222
At 31 December 2021	695	346	2,502	62	3,605
<b>Accumulated depreciation</b>					
At 1 January 2020	328	346	2,001	–	2,675
Depreciation charge for the year	82	–	95	–	177
Disposals	(66)	–	(48)	–	(114)
At 31 December 2020	344	346	2,048	–	2,738
Depreciation charge for the year	101	–	118	–	219
At 31 December 2021	445	346	2,166	–	2,957
<b>Carrying amounts</b>					
At 1 January 2020	315	–	5	–	320
At 31 December 2020	228	–	417	–	645
At 31 December 2021	250	–	336	62	648

**Impairment loss**

During the impairment review, the Group assesses whether the carrying amount of an asset exceeds its recoverable amount. At 31 December 2021, the Group recognised an impairment loss of \$4.0 million (2020: \$40.0 million) on certain property, plant and equipment due to lower recoverable amounts arising from changes in operations. The impairment loss was recognised in other operating expenses in the income statement.

## 4 Intangible assets

<b>Group</b>	<b>Goodwill on consolidation \$'000</b>	<b>Computer software and software development costs \$'000</b>	<b>Capital work-in-progress \$'000</b>	<b>Port and other operating rights \$'000</b>	<b>Other intangible assets \$'000</b>	<b>Total \$'000</b>
<b>Cost</b>						
At 1 January 2020	553,427	202,204	62,574	2,105,027	94,059	3,017,291
Reclassifications	–	16,833	(21,295)	–	4,462	–
Additions	–	3,365	53,041	410	1,041	57,857
Acquisition of subsidiaries	–	5,785	4,384	147,427	15,747	173,343
Disposals	–	(8,767)	–	(16,988)	(43,619)	(69,374)
Transferred from property, plant and equipment	–	5,632	–	–	–	5,632
Translation differences on consolidation	3,300	7,467	(57)	(53,699)	1,017	(41,972)
At 31 December 2020	556,727	232,519	98,647	2,182,177	72,707	3,142,777
Reclassifications	–	42,468	(48,863)	5,935	460	–
Additions	–	677	48,574	740	461	50,452
Acquisition of subsidiaries	1,694	866	7	133,605	3,485	139,657
Disposals	–	(2,745)	(3,683)	(8,210)	(23)	(14,661)
Disposal of a subsidiary	–	(2,781)	–	–	–	(2,781)
Transferred from property, plant and equipment	–	–	–	–	16	16
Translation differences on consolidation	(2,240)	(6,620)	(12)	7,299	(1,037)	(2,610)
At 31 December 2021	556,181	264,384	94,670	2,321,546	76,069	3,312,850

<b>Group</b>	<b>Goodwill on consolidation \$'000</b>	<b>Computer software and software development costs \$'000</b>	<b>Capital work-in- progress \$'000</b>	<b>Port and other operating rights \$'000</b>	<b>Other intangible assets \$'000</b>	<b>Total \$'000</b>
<b>Accumulated amortisation and impairment losses</b>						
At 1 January 2020	68,892	141,754	–	203,433	50,348	464,427
Amortisation charge for the year	–	18,865	–	81,514	12,440	112,819
Acquisition of subsidiaries	–	4,959	–	4,272	6,376	15,607
Disposals	–	(8,767)	–	–	(42,371)	(51,138)
Impairment loss	–	–	–	65,000	–	65,000
Transferred from property, plant and equipment	–	125	–	–	–	125
Translation differences on consolidation	709	4,725	–	(6,252)	997	179
At 31 December 2020	69,601	161,661	–	347,967	27,790	607,019
Amortisation charge for the year	–	26,011	–	81,033	10,005	117,049
Acquisition of subsidiaries	–	447	–	–	–	447
Disposals	–	(2,426)	–	–	–	(2,426)
Disposal of a subsidiary	–	(2,695)	–	–	–	(2,695)
Impairment loss	5,176	–	–	–	–	5,176
Translation differences on consolidation	(577)	(7,006)	–	(1,869)	(961)	(10,413)
At 31 December 2021	74,200	175,992	–	427,131	36,834	714,157
<b>Carrying amounts</b>						
At 1 January 2020	484,535	60,450	62,574	1,901,594	43,711	2,552,864
At 31 December 2020	487,126	70,858	98,647	1,834,210	44,917	2,535,758
At 31 December 2021	481,981	88,392	94,670	1,894,415	39,235	2,598,693

<b>Company</b>	<b>Computer software and software development costs \$'000</b>	<b>Capital work-in- progress \$'000</b>	<b>Total \$'000</b>
<b>Cost</b>			
At 1 January 2020	9,157	25,508	34,665
Additions	–	11,105	11,105
Reclassifications	6,577	(6,577)	–
At 31 December 2020	15,734	30,036	45,770
Additions	–	8,159	8,159
Reclassifications	11,592	(11,592)	–
At 31 December 2021	27,326	26,603	53,929
<b>Accumulated amortisation</b>			
At 1 January 2020	4,413	–	4,413
Amortisation charge for the year	1,554	–	1,554
At 31 December 2020	5,967	–	5,967
Amortisation charge for the year	2,451	–	2,451
At 31 December 2021	8,418	–	8,418
<b>Carrying amounts</b>			
At 1 January 2020	4,744	25,508	30,252
At 31 December 2020	9,767	30,036	39,803
At 31 December 2021	18,908	26,603	45,511

***Impairment testing for cash-generating units (CGUs) containing goodwill***

For the purpose of impairment testing, goodwill is allocated to the Group's port business in the country of operation, which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. At 31 December 2021, the carrying amount of goodwill primarily relates to the Group's port business CGU in Belgium of \$455.1 million (2020: \$457.2 million). The remaining goodwill relates to the Group's port business CGUs in other countries.

The recoverable amounts of these port business CGUs were based on the value in use approach. They were determined by discounting the future cash flows generated from the continuing use of these CGUs. The cash flow projections were based on the financial budgets approved by management covering a five-year period and a further outlook based on the long-term nature of concession agreements.

Key assumptions include the expected growth in revenue, gross margin and discount rates. The pre-tax discount rate used for impairment testing of Belgium CGU was 7.3% (2020: 7.3%).

Judgement is required to determine key assumptions adopted in the cash flow projections and changes to the key assumptions can significantly affect these cash flow projections and therefore the results of the impairment tests.

Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying amount of the Belgium CGU to materially exceed its recoverable amount.



***Impairment loss***

During the impairment review, the Group assesses whether the carrying amount of an asset exceeds its recoverable amount. In 2020, the Group recognised an impairment loss of \$65.0 million on certain port use rights due to lower recoverable amounts arising from weaker economic outlook. The impairment loss was recognised in other operating expenses in the income statement.

## 5 Right-of-use assets

Group	Leasehold land \$'000	Buildings \$'000	Wharves, hard- standing and roads \$'000	Plant, equipment and machinery \$'000	Floating crafts \$'000	Motor vehicles \$'000	Others \$'000	Total \$'000
<b>Cost</b>								
At 1 January 2020	584,005	17,019	343,741	52,232	–	5,982	3,255	1,006,234
Additions	5,786	1,793	558	18,776	–	1,231	2,469	30,613
Acquisition of subsidiaries	36,751	1,729	–	2,324	12,787	–	–	53,591
Disposals	(5,203)	(14,516)	(2,205)	(5,610)	–	(483)	(3)	(28,020)
Translation differences on consolidation	31,224	(145)	26,922	3,730	(682)	426	23	61,498
At 31 December 2020	652,563	5,880	369,016	71,452	12,105	7,156	5,744	1,123,916
Additions	15,527	5,407	11,115	20,519	–	2,251	657	55,476
Acquisition of subsidiaries	1,506	745	–	–	–	–	1,245	3,496
Disposals	(2,440)	(560)	–	(18,835)	–	(919)	(488)	(23,242)
Disposal of a subsidiary	–	–	(10,150)	(13,513)	–	(294)	–	(23,957)
Reclassifications	304,074	3,302	(304,074)	(3,302)	–	–	–	–
Translation differences on consolidation	(33,792)	100	(21,814)	(3,780)	257	(425)	(33)	(59,487)
At 31 December 2021	937,438	14,874	44,093	52,541	12,362	7,769	7,125	1,076,202

<b>Group</b>	<b>Leasehold land \$'000</b>	<b>Buildings \$'000</b>	<b>Wharves, hard- standing and roads \$'000</b>	<b>Plant, equipment and machinery \$'000</b>	<b>Floating crafts \$'000</b>	<b>Motor vehicles \$'000</b>	<b>Others \$'000</b>	<b>Total \$'000</b>
<b>Accumulated depreciation</b>								
At 1 January 2020	24,094	9,664	14,050	17,507	–	1,626	402	67,343
Depreciation charge for the year	27,606	7,242	14,921	17,374	690	1,971	730	70,534
Acquisition of subsidiaries	2,155	310	–	1,542	701	–	–	4,708
Disposals	(157)	(14,516)	(2,185)	(5,435)	–	(302)	(3)	(22,598)
Translation differences on consolidation	2,186	(63)	1,655	1,918	(67)	187	9	5,825
At 31 December 2020	55,884	2,637	28,441	32,906	1,324	3,482	1,138	125,812
Depreciation charge for the year	46,433	3,055	3,494	16,894	760	1,840	1,907	74,383
Acquisition of subsidiaries	226	–	–	–	–	–	883	1,109
Disposals	(105)	(421)	–	(12,885)	–	(909)	(418)	(14,738)
Disposal of a subsidiary	–	–	(3,587)	(6,749)	–	(170)	–	(10,506)
Reclassifications	22,398	2,568	(22,398)	(2,568)	–	–	–	–
Translation differences on consolidation	(4,516)	(13)	(1,817)	(2,002)	34	(278)	(44)	(8,636)
At 31 December 2021	120,320	7,826	4,133	25,596	2,118	3,965	3,466	167,424
<b>Carrying amounts</b>								
At 1 January 2020	559,911	7,355	329,691	34,725	–	4,356	2,853	938,891
At 31 December 2020	596,679	3,243	340,575	38,546	10,781	3,674	4,606	998,104
At 31 December 2021	817,118	7,048	39,960	26,945	10,244	3,804	3,659	908,778

The leases run over various periods with some leases containing an option to renew the lease upon expiry. Lease terms are reviewed at renewal of leases.

During the year, depreciation expense of \$4.2 million (2020: nil) was capitalised into capital work-in-progress.

The Group received rent concessions from its landlords mainly for concession leases as a result of the severe impact of the COVID-19 pandemic during the year. The Group applied the practical expedient for COVID-19-related rent concessions consistently to eligible rent concessions.

<b>Company</b>	<b>Buildings \$'000</b>
<b>Cost</b>	
At 1 January and 31 December 2020	–
Additions	10,272
At 31 December 2021	<u>10,272</u>
<b>Accumulated depreciation</b>	
At 1 January and 31 December 2020	–
Depreciation charge for the year	5,136
At 31 December 2021	<u>5,136</u>
<b>Carrying amounts</b>	
At 1 January and 31 December 2020	–
At 31 December 2021	<u>5,136</u>

## 6 Subsidiaries

	<b>Company</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Equity investments, at cost	1,175,222	1,169,922
Loans to subsidiaries	9,719,911	9,853,757
	<u>10,895,133</u>	<u>11,023,679</u>
Impairment losses	(275,077)	(275,077)
	<u>10,620,056</u>	<u>10,748,602</u>

The loans to subsidiaries form part of the Company's net investments in these subsidiaries. The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance capital contributions by the Company. Accordingly, these loans are stated at cost less accumulated impairment losses.

The loans are principally denominated in Singapore dollars, US dollars and Euro, and comprise:

- (a) 848.2 million (2020: \$1,780.1 million) loans bearing fixed interest rates ranging from 4.27% to 6.33% (2020: 0.23% to 9.13%) per annum; and
- (b) \$674.1 million (2020: \$95.3 million) loans bearing floating interest rates ranging from 3.62% to 5.27% (2020: 3.72% to 7.06%) per annum and the interest rates repriced at intervals of 6 to 12 months.

The remaining loans to subsidiaries are interest-free.

Details of significant subsidiaries are as follows:

Name of subsidiary	Principal place of business/country of incorporation	Effective percentage held by the Group	
		2021 %	2020 %
PSA Corporation Limited	Singapore	100	100
PSA Marine (Pte) Ltd	Singapore	100	100
PSA Antwerp N.V.	Belgium	100	100

## 7 Associates

	Group	
	2021 \$'000	2020 \$'000
Investments in associates	3,469,194	3,204,997
Loans to associates	7,128	7,128
	<u>3,476,322</u>	<u>3,212,125</u>
Impairment losses	(7,128)	(7,128)
	<u>3,469,194</u>	<u>3,204,997</u>

The loans to associates form part of the Group's net investments in these associates. The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance capital contributions by the Group. Accordingly, these loans are stated at cost less accumulated impairment losses.

Details of significant associates are as follows:

Name of associate	Principal place of business/country of incorporation	Effective percentage held by the Group	
		2021 %	2020 %
Hutchison Port Holdings Limited	British Virgin Islands	20.0	20.0
Hutchison Ports Investments S.à r.l.	Luxembourg	20.0	20.0

The reconciliation of the SFRS(I) financial statements of the associates modified for fair value adjustments, with the carrying amounts of the investments in associates in the consolidated financial statements is as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 January	3,204,997	3,130,037
Group's share of:		
- profit for the year	210,214	187,202
- other comprehensive income	96,851	55,694
- total comprehensive income	307,065	242,896
Dividends received during the year	(98,435)	(106,848)
Disposal during the year	–	(21,119)
Investment during the year	8,925	–
Translation differences on consolidation	46,642	(39,969)
At 31 December	3,469,194	3,204,997

The Group's investments in associates relate mainly to its investment in Hutchison Port Holdings Limited and Hutchison Ports Investments S.à r.l.. The Group's share of contingent liabilities of the associates is \$90.7 million (2020: \$97.8 million).

## 8 Joint ventures

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Investments in joint ventures	2,687,950	2,569,453
Loans to joint ventures	1,008,498	1,031,331
	3,696,448	3,600,784
Impairment losses	(37,192)	(23,808)
	3,659,256	3,576,976

The loans to joint ventures form part of the Group's net investments in these joint ventures. The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance capital contributions by the Group. Accordingly, these loans are stated at cost less accumulated impairment losses.

The loans are principally denominated in US dollars and Euro, and comprised:

- (a) \$596.0 million (2020: \$626.6 million) loans bearing fixed interest rates ranging from 6.00% to 10.00% (2020: 6.00% to 10.00%) per annum; and
- (b) \$403.5 million (2020: \$395.9 million) loans bearing floating interest rates ranging from 0.15% to 4.25% (2020: 0.42% to 5.94%) per annum.

The remaining loans to joint ventures are interest-free.

Details of significant joint ventures are as follows:

Name of joint venture	Principal place of business/country of incorporation	Effective percentage held by the Group	
		2021 %	2020 %
DCT Gdansk S.A.	Republic of Poland	40.0	40.0
Mersin Uluslararası Liman İşletmeciliği A.Ş.	Turkey	51.0	51.0
PSA Panama International Terminal, S.A.	Republic of Panama	42.5	42.5
Sociedad Puerto Industrial Aguadulce S.A.	Colombia	49.8	49.8
Tianjin Port Pacific International Container Terminal Co., Ltd.	People's Republic of China	49.0	49.0

The Group's share of commitments of the joint ventures was as follows:

	Group	
	2021 \$'000	2020 \$'000
Capital commitments which have been authorised and contracted but not provided for in the financial statements	75,966	52,864

The Group does not have any individually material joint venture.

## 9 Financial assets

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Equity investments at FVOCI	1,904,710	1,352,288	100,619	86,704
Equity investments at FVTPL	11,195	7,737	–	–
	<u>1,915,905</u>	<u>1,360,025</u>	<u>100,619</u>	<u>86,704</u>

## 10 Other non-current assets

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Loan to joint venture	–	1,139	–	–
Loan to a non-controlling shareholder of a subsidiary	29,400	9,800	–	–
Other receivables	182,080	188,389	7,512	12,648
Non-current portion of financial assets at amortised cost	211,480	199,328	7,512	12,648
Hedging instruments	1,439	940	–	–
Transferable corporate club memberships	1,684	1,737	–	–
	<u>214,603</u>	<u>202,005</u>	<u>7,512</u>	<u>12,648</u>

In 2020, the loan to joint venture was denominated in Euro, unsecured, bore floating interest rate of 1% per annum and repayable by 2022.

The loan to a non-controlling shareholder of a subsidiary was denominated in Singapore Dollar, unsecured, bore fixed interest rates ranging from 2.53% to 4.23% (2020: 2.53%) per annum and repayable by 2026.

## 11 Deferred tax

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year were as follows:

	Provisions \$'000	Other items \$'000	Total \$'000
<b>Group</b>			
<b>Deferred tax assets</b>			
At 1 January 2020	39,436	38,330	77,766
Acquisition of subsidiaries	1,098	53	1,151
Recognised in income statement	3,043	(550)	2,493
Recognised in other comprehensive income	45	942	987
Translation differences on consolidation	790	2,012	2,802
At 31 December 2020	<u>44,412</u>	<u>40,787</u>	<u>85,199</u>
Disposal of a subsidiary	–	(48)	(48)
Recognised in income statement	(4,939)	1,510	(3,429)
Recognised in other comprehensive income	39	(530)	(491)
Translation differences on consolidation	(696)	(2,209)	(2,905)
At 31 December 2021	<u>38,816</u>	<u>39,510</u>	<u>78,326</u>



	<b>Property, plant and equipment \$'000</b>	<b>Fair value reserve \$'000</b>	<b>Other items \$'000</b>	<b>Total \$'000</b>
<b>Deferred tax liabilities</b>				
At 1 January 2020	295,441	225,438	14,056	534,935
Acquisition of subsidiaries	8,981	–	2,687	11,668
Recognised in income statement	(10,950)	–	4,408	(6,542)
Recognised in other comprehensive income	–	(1,239)	3,857	2,618
Translation differences on consolidation	766	–	307	1,073
At 31 December 2020	294,238	224,199	25,315	543,752
Acquisition of subsidiaries	–	–	581	581
Disposal of a subsidiary	(346)	–	–	(346)
Recognised in income statement	26,786	–	6,634	33,420
Recognised in other comprehensive income	–	139,581	3,073	142,654
Translation differences on consolidation	(790)	–	(194)	(984)
At 31 December 2021	319,888	363,780	35,409	719,077

Deferred tax assets and liabilities of the Company were attributable to the following:

	<b>Company</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Deferred tax assets</b>		
Provisions	4,552	4,594
<b>Deferred tax liabilities</b>		
Property, plant and equipment	3,308	1,743
Unremitted income	9,766	4,363
Other items	9,925	8,452
	22,999	14,558

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting were included in the statements of financial position as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Deferred tax assets	39,126	39,349	–	–
Deferred tax liabilities	679,877	497,902	18,447	9,964

### *Unrecognised deferred tax assets*

Deferred tax assets have not been recognised in respect of tax losses amounting to \$229.9 million (2020: \$235.2 million). The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. Deferred tax assets have not been recognised in respect of these tax losses because there is no indication that future taxable profit will be available against which the respective subsidiaries of the Group can utilise the benefits.

## 12 Trade and other receivables

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade and accrued receivables	13	574,976	653,915	–	–
Deposits and other receivables	14	203,023	166,947	8,922	13,242
Amounts due from:					
Subsidiaries		–	–	243,967	167,390
Associates		2	77	–	–
Joint ventures		140,015	139,495	15,988	16,595
Related corporations		17,529	–	–	–
Loan to joint venture		1,072	4,556	–	–
Current portion of financial assets at amortised cost		936,617	964,990	268,877	197,227
Advances and prepayments		37,047	48,340	1,780	3,047
Hedging instruments		7,179	67,231	88	–
		<u>980,843</u>	<u>1,080,561</u>	<u>270,745</u>	<u>200,274</u>

The amounts due from subsidiaries, associates, joint ventures and related corporations were unsecured, interest-free and repayable on demand. The loan to joint venture was denominated in Euro, unsecured, bore floating interest rate of 1% (2020: 1%) per annum and repayable in one year.

## 13 Trade and accrued receivables

	Group	
	2021 \$'000	2020 \$'000
Trade and accrued receivables	653,581	767,651
Allowance for impairment	(78,605)	(113,736)
	<u>574,976</u>	<u>653,915</u>

The Group's primary exposure to credit risk arises through its trade receivables. Concentration of credit risk relating to trade receivables is limited due to the Group's internationally dispersed customers. Due to the nature of the Group's business, credit risk is not concentrated in any specific geographical region but concentrated in companies exposed to business cyclical fluctuations that are commonly found in the shipping industry. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional allowance beyond amounts provided for collection losses is required.

## 14 Deposits and other receivables

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Deposits	4,591	8,336	12	–
Other receivables	198,432	158,611	8,910	13,242
	203,023	166,947	8,922	13,242

## 15 Cash and bank balances

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and in hand	894,157	1,560,394	192,646	979,769
Fixed deposits	2,790,892	2,836,570	1,908,091	1,831,607
	3,685,049	4,396,964	2,100,737	2,811,376

At the reporting date, cash and cash equivalents for the Group include \$611.3 million (2020: \$882.0 million) cash from subsidiaries pooled together under a sweeping arrangement and managed centrally by the Company in bank balances and fixed deposits as part of the Group's cash management and treasury activities. These balances are not presented as part of the bank balance of the Company.

## 16 Share capital

	Company	
	2021 No. of shares '000	2020 No. of shares '000
<b>Issued and fully-paid, with no par value:</b>		
At 1 January and 31 December	607,372	607,372

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

### **Capital management**

The Group defines capital as share capital and all components of equity. The Group's primary objectives when managing capital are to safeguard the Group's ability to continue to provide returns for shareholders and to support the Group's stability and growth. The Group regularly reviews and manages its capital structure to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

There were no changes to the Group's approach to capital management during the year.

Certain subsidiaries within the Group are subject to externally imposed capital requirements as required by law. These subsidiaries have complied with the requirements during the financial year. The Company and the rest of its subsidiaries are not subject to any externally imposed capital requirements.

## **17 Accumulated profits and other reserves**

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Capital reserve	(a)	32,477	2,212	—	—
Insurance reserve	(b)	97,357	97,357	—	—
Foreign currency translation reserve	(c)	(920,272)	(976,352)	—	—
Hedging reserve	(d)	7,592	(17,167)	(3,464)	(6,931)
Fair value reserve	(e)	260,693	(218,095)	(23,672)	(37,587)
Accumulated profits		13,308,981	12,342,833	9,855,015	9,287,496
		<u>12,786,828</u>	<u>11,230,788</u>	<u>9,827,879</u>	<u>9,242,978</u>

### **(a) Capital reserve**

The capital reserve comprises the Group's share of capital reserve of associates and joint ventures.

### **(b) Insurance reserve**

The insurance reserve relates to a sum transferred from the former Port of Singapore Authority to PSA Corporation Limited in 1997 as part of the vesting of property, rights and liabilities. This reserve is to cover potential past liabilities and for funding future potential liabilities in relation to the port related activities undertaken by PSA Corporation Limited.

**(c) Foreign currency translation reserve**

The foreign currency translation reserve comprises:

- (i) all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company;
- (ii) the effective portion of the cumulative net change in fair value of foreign currency loans used to hedge the Group's net investment in foreign operations;
- (iii) foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations;
- (iv) the Group's share of foreign currency translation reserve of associates and joint ventures; and
- (v) changes in the equity of foreign operations as a result of adjusting non-monetary assets and liabilities and equity balances for hyperinflation (inflation adjustment).

**(d) Hedging reserve**

The hedging reserve comprises:

- (i) the effective portion of the cumulative net change in fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred; and
- (ii) the Group's share of hedging reserve of associates and joint ventures.

**(e) Fair value reserve**

The fair value reserve comprises:

- (i) the cumulative net changes in the fair values of equity investments at FVOCI until the investments are derecognised; and
- (ii) the Group's share of fair value reserve of associates and joint ventures.

## 18 Borrowings and lease liabilities

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Borrowings</b>				
Unsecured fixed and floating rates notes	2,889,062	2,838,342	173,200	170,572
Secured bank loans	165,418	183,047	–	–
Unsecured bank loans	1,085,845	1,025,565	–	–
Loans from joint venture	169,765	147,831	–	–
Loans from non-controlling shareholders of subsidiaries	9,555	9,555	–	–
Unsecured loan from subsidiary	–	–	718,515	1,365,324
<b>Non-current borrowings</b>	<b>4,319,645</b>	<b>4,204,340</b>	<b>891,715</b>	<b>1,535,896</b>
Unsecured fixed and floating rates notes	–	661,802	–	661,802
Secured bank loans	97,632	700,886	–	–
Unsecured bank loans	390,260	859,559	–	244,080
Loans from joint venture	536	2,278	–	–
<b>Current borrowings</b>	<b>488,428</b>	<b>2,224,525</b>	<b>–</b>	<b>905,882</b>
	<b>4,808,073</b>	<b>6,428,865</b>	<b>891,715</b>	<b>2,441,778</b>
Total borrowings comprise:				
Total unsecured fixed and floating rates notes	2,889,062	3,500,144	173,200	832,374
Total secured bank loans (a)	263,050	883,933	–	–
Total unsecured bank loans	1,476,105	1,885,124	–	244,080
Total loans from joint venture (b)	170,301	150,109	–	–
Total loans from non-controlling shareholders of subsidiaries (c)	9,555	9,555	–	–
Total unsecured loan from subsidiary	–	–	718,515	1,365,324
	<b>4,808,073</b>	<b>6,428,865</b>	<b>891,715</b>	<b>2,441,778</b>
<b>Lease liabilities</b>				
Non-current lease liabilities	974,601	1,062,473	–	–
Current lease liabilities	53,416	58,190	5,233	–
	<b>1,028,017</b>	<b>1,120,663</b>	<b>5,233</b>	<b>–</b>

**(a) Secured bank loans**

The loans were secured by mortgages on the borrowing subsidiaries' property, plant and equipment and port use rights with a carrying amount of \$437.4 million (2020: \$1,752.0 million).

**(b) Loans from joint venture**

The loans from joint venture were denominated in Euro, unsecured and bore floating interest rates. Interest rates repriced at intervals of three months.

**(c) Loans from non-controlling shareholders of subsidiaries**

The loans from non-controlling shareholders were unsecured and bore floating interest rates. Interest rates repriced at intervals of three months.

**Terms and debt repayment schedule**

The terms and conditions of outstanding borrowings and lease liabilities were as follows:

Group	Effective interest rate %	Year of maturity	2021		2020	
			Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Unsecured fixed and floating rates notes	1.63 - 4.27	2025 - 2030	2,903,770	2,889,062	3,516,655	3,500,144
Secured bank loans	1.22 - 7.10	2022 - 2026	263,050	263,050	883,933	883,933
Unsecured bank loans	0.045 - 2.8	2022 - 2026	1,476,105	1,476,105	1,886,408	1,885,124
Loans from joint venture	0.62 - 1.50	2022 - 2023	170,301	170,301	150,109	150,109
Loans from non-controlling shareholders of subsidiaries	0.57 - 0.84	2027	9,555	9,555	9,555	9,555
			<u>4,822,781</u>	<u>4,808,073</u>	<u>6,446,660</u>	<u>6,428,865</u>
Lease liabilities	0.44 - 17.60	2022 - 2051	<u>1,419,455</u>	<u>1,028,017</u>	<u>1,667,287</u>	<u>1,120,663</u>
<b>Company</b>						
Unsecured fixed and floating rates notes	4.27	2025	173,300	173,200	832,550	832,374
Unsecured bank loans	—	—	—	—	244,080	244,080
Unsecured loan from subsidiary	2.30 - 2.67	2026 - 2030	718,515	718,515	1,365,324	1,365,324
			<u>891,815</u>	<u>891,715</u>	<u>2,441,954</u>	<u>2,441,778</u>
Lease liabilities	1.00	2022	<u>5,285</u>	<u>5,233</u>	<u>—</u>	<u>—</u>

***Reconciliation of movements of borrowings and lease liabilities to cash flows arising from financing activities***

	<b>Borrowings</b> <b>\$'000</b>	<b>Lease</b> <b>liabilities</b> <b>\$'000</b>	<b>Total</b> <b>\$'000</b>
At 1 January 2020	5,961,305	1,045,262	7,006,567
Changes from financing cash flows			
- Proceeds from bank loans and notes	2,532,505	–	2,532,505
- Repayment of bank loans and notes	(2,186,135)	–	(2,186,135)
- Proceeds from loans from joint venture	81,360	–	81,360
- Repayment of loans from joint venture	(2,278)	–	(2,278)
- Payment of lease liabilities	–	(62,655)	(62,655)
- Interest paid	–	(41,888)	(41,888)
Total changes from financing cash flows	425,452	(104,543)	320,909
Addition of new leases	–	25,399	25,399
Acquisition of subsidiaries	8,621	48,529	57,150
Interest expenses	–	40,542	40,542
Amortisation of loan facilities upfront fees	2,600	–	2,600
Changes in fair value	178	–	178
Effect of changes in foreign exchange rates	30,709	65,474	96,183
At 31 December 2020	<u>6,428,865</u>	<u>1,120,663</u>	<u>7,549,528</u>
At 1 January 2021	6,428,865	1,120,663	7,549,528
Changes from financing cash flows			
- Proceeds from bank loans and notes	607,365	–	607,365
- Repayment of bank loans and notes	(2,279,982)	–	(2,279,982)
- Proceeds from loans from joint venture	31,210	–	31,210
- Repayment of loans from joint venture	(2,143)	–	(2,143)
- Payment of lease liabilities	–	(69,263)	(69,263)
- Interest paid	–	(40,621)	(40,621)
Total changes from financing cash flows	(1,643,550)	(109,884)	(1,753,434)
Addition of new leases	–	58,385	58,385
Acquisition of subsidiaries	–	1,955	1,955
Disposal of a subsidiary	–	(23,316)	(23,316)
Interest expenses	–	42,121	42,121
Amortisation of loan facilities upfront fees	2,669	–	2,669
Changes in fair value	194	–	194
Effect of changes in foreign exchange rates	19,895	(61,907)	(42,012)
At 31 December 2021	<u>4,808,073</u>	<u>1,028,017</u>	<u>5,836,090</u>

Total cash outflow for all the leases in 2021 was \$123.6 million (2020: \$119.8 million).

## **19 Provisions**

This comprises site restoration provisions made by subsidiaries to restore their leased sites to original condition by the end of the lease terms.



## 20 Other non-current obligations

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Hedging instruments	5,927	36,433	4,002	29,661
Amount due to joint venture	1,832	3,176	–	–
Loan from a subsidiary	–	–	334,121	234,770
Loan from a joint venture	334,121	234,770	–	–
Service concession obligations	107,183	104,538	–	–
Other non-current obligations	77,444	72,162	–	–
	526,507	451,079	338,123	264,431

The loans from a subsidiary and a joint venture are denominated in US dollars, unsecured, interest-free and due in 2025 to 2028.

## 21 Trade and other payables

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade payables and accrued operating expenses		1,320,424	1,055,530	93,086	89,542
Deposits and other payables	22	337,343	315,381	9,463	19,571
Amounts due to:					
Subsidiaries		–	–	820,031	674,663
Joint ventures		54,150	49,141	169	–
Related corporations		17,602	1,041	–	–
Other financial liabilities at amortised cost		1,729,519	1,421,093	922,749	783,776
Advances		34,018	40,719	154	199
Hedging instruments		2,390	2,697	1,912	308
		1,765,927	1,464,509	924,815	784,283

The amounts due to subsidiaries, joint ventures and related corporations were unsecured, interest-free and repayable on demand.

## 22 Deposits and other payables

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Deposits	10,239	9,037	–	–
Accrued capital expenditure	143,399	84,130	–	–
Other payables	183,705	222,214	9,463	19,571
	<u>337,343</u>	<u>315,381</u>	<u>9,463</u>	<u>19,571</u>

The Group's and the Company's other payables included interest payable of \$22.7 million (2020: \$47.7 million) and \$8.1 million (2020: \$18.1 million) respectively and other sundry creditors.

## 23 Revenue

This comprises revenue from container handling, marine services, operation of multi-purpose terminals, warehousing and logistics related services, software development and IT related services, consultancy fees but excludes intra-group transactions. Payment is due when services are provided to customer. Disaggregation of revenue is presented in note 29.

## 24 Other income

	Group	
	2021 \$'000	2020 \$'000
Dividend income from financial assets	57,458	38,100
Interest income from:		
Cash and bank balances	13,124	39,060
Joint ventures	58,559	62,870
Trade and other receivables	5,676	6,703
Gain on disposal of:		
Financial assets	431	175
Joint ventures	–	50,749
Property, plant and equipment, net	–	4,890
Subsidiary	8,707	–
Exchange gain, net	9,505	–
Net fair value gain on fair value hedge	1,058	–
Net change in fair value of equity investment at FVTPL	83	426
Write back of allowance for trade receivables	32,420	–
Others	41,113	21,291
	<u>228,134</u>	<u>224,264</u>

## 25 Staff and related costs

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Wages and salaries	1,088,884	909,962
Contributions to defined contribution plans	107,540	103,925
	1,196,424	1,013,887

Various government grants were received to help business deal with the impact of COVID-19. Government grant income in relation to temporary wage support schemes is deducted against staff and related costs.

## 26 Profit from operations

Profit from operations included the following items:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Allowance for impairment on trade receivables	–	17,956
Impairment loss of:		
Intangible assets	5,176	65,000
Property, plant and equipment	4,003	39,995
Joint ventures	13,384	–
Loss on disposal of:		
Intangible assets	845	1,731
Property, plant and equipment, net	276	–
Exchange loss, net	–	9,386
Expenses relating to:		
Short-term leases	8,724	9,325
Leases of low-value assets, excluding short-term leases of low-value assets	1,426	1,694
Variable lease payments not included in the measurement of lease liabilities	3,554	4,204

## 27 Finance costs

	Group	
	2021	2020
	\$'000	\$'000
Interest expense in relation to:		
Banks and other financial institutions	75,291	95,742
Fixed and floating rates notes holders	71,147	95,685
Lease liabilities	42,121	40,542
Service concession obligations	7,193	7,227
Non-controlling shareholders of subsidiaries	96	118
	195,848	239,314

## 28 Income tax expense

	Group	
	2021	2020
	\$'000	\$'000
<b>Current tax expense</b>		
Current year	219,451	233,151
Over provided in prior years	(2,306)	(2,609)
	217,145	230,542
<b>Deferred tax expense</b>		
Movements in temporary differences	33,163	(17,105)
Under provided in prior years	3,686	8,070
	36,849	(9,035)
 Income tax expense	 253,994	 221,507
 <i>Tax reconciliation</i>		
Profit before income tax	1,681,915	1,412,742
Share of profit of associates, net of tax	(210,214)	(187,202)
Share of profit of joint ventures, net of tax	(276,504)	(174,249)
Profit before income tax excluding share of profit of associates and joint ventures, net of tax	1,195,197	1,051,291
 Tax calculated using Singapore tax rate of 17% (2020: 17%)	 203,183	 178,719
Effect of different tax rates in other countries	6,469	3,249
Tax rebates and incentives	(22,265)	(14,890)
Income not subject to tax	(24,356)	(48,896)
Expenses not deductible for tax purposes	46,852	63,263
Change in unrecognised tax benefits	12,788	15,678
Withholding tax	29,943	18,923
Under provided in prior years	1,380	5,461
Income tax expense	253,994	221,507

## 29 Operating segments

The Group is organised into business units based on their services and has two main reportable operating segments as follows:

- Port business: The provision of container handling, operation of multi-purpose terminals and other port related services.
- Marine business: The provision of marine services.

Other businesses are not significant and are therefore presented in aggregate as “others”.

The Executive Committee and Senior Management Council of the Company monitor the operating results of the business units separately for the purpose of making strategic decisions. Performance is measured based on segment operating profit which includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm’s length basis. Segment capital expenditure is the total costs incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

### *Information about reportable segments*

	<b>Port business \$'000</b>	<b>Marine business \$'000</b>	<b>Others \$'000</b>	<b>Total reportable segments \$'000</b>
<b>Group</b>				
<b>31 December 2021</b>				
<b>Revenue</b>				
Total revenue	4,098,620	337,040	270,206	4,705,866
Inter-segment revenue	(9,445)	(12,072)	(14,509)	(36,026)
External revenue	<u>4,089,175</u>	<u>324,968</u>	<u>255,697</u>	<u>4,669,840</u>
<b>Operating profit</b>	<u>1,202,776</u>	<u>84,622</u>	<u>25,297</u>	<u>1,312,695</u>
<b>Material item</b>				
Depreciation and amortisation	<u>693,357</u>	<u>48,247</u>	<u>15,584</u>	<u>757,188</u>
<b>Segment assets</b>	<u>9,976,849</u>	<u>559,912</u>	<u>345,993</u>	<u>10,882,754</u>
<b>Segment liabilities</b>	<u>2,040,267</u>	<u>59,676</u>	<u>61,094</u>	<u>2,161,037</u>
<b>31 December 2020</b>				
<b>Revenue</b>				
Total revenue	3,769,675	318,012	108,641	4,196,328
Inter-segment revenue	(8,765)	(6,256)	(2,369)	(17,390)
External revenue	<u>3,760,910</u>	<u>311,756</u>	<u>106,272</u>	<u>4,178,938</u>

	<b>Port business \$'000</b>	<b>Marine business \$'000</b>	<b>Others \$'000</b>	<b>Total reportable segments \$'000</b>
<b>Operating profit</b>	1,189,700	87,712	1,447	1,278,859
<b>Material item</b>				
Depreciation and amortisation	695,715	45,418	5,128	746,261
<b>Segment assets</b>	10,036,704	551,965	136,788	10,725,457
<b>Segment liabilities</b>	1,666,497	62,875	30,353	1,759,725

The capital expenditure for port and marine business segments was \$810.0 million (2020: \$540.8 million) and \$50.4 million (2020: \$31.7 million) respectively.

***Reconciliations of reportable segment operating profit, assets and liabilities***

	<b>Group</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Operating profit</b>		
Operating profit for reportable segments	1,312,695	1,278,859
Corporate expenses	(127,221)	(98,137)
Other income	228,134	224,264
Impairment loss of intangible assets	(5,176)	(65,000)
Impairment of joint ventures	(13,384)	–
Impairment loss of property, plant and equipment	(4,003)	(39,995)
Exchange loss, net	–	(9,386)
Share of profit of associates, net of tax	210,214	187,202
Share of profit of joint ventures, net of tax	276,504	174,249
Finance costs	(195,848)	(239,314)
Profit before income tax	1,681,915	1,412,742
<b>Segment assets</b>		
Segment assets for reportable segments	10,882,754	10,725,457
Associates	3,469,194	3,204,997
Joint ventures	3,659,256	3,576,976
Cash and bank balances	3,685,049	4,396,964
Financial assets	1,915,905	1,360,025
Deferred tax assets	39,126	39,349
Hedging instruments	8,618	68,171
	23,659,902	23,371,939

	Group	
	2021 \$'000	2020 \$'000
<b>Segment liabilities</b>		
Segment liabilities for reportable segments	2,161,037	1,759,725
Corporate liabilities	135,634	127,357
Borrowings	4,808,073	6,428,865
Lease liabilities	1,028,017	1,120,663
Current tax payable	176,697	272,081
Deferred tax liabilities	679,877	497,902
Hedging instruments	8,317	39,130
	8,997,652	10,245,723

### ***Geographical information***

The Group operates principally in Southeast Asia, Europe, Mediterranean and The Americas and Rest of Asia. Segment revenue is based on geographical location of the operations. Segment assets are based on the geographical location of the assets. Non-current assets presented consist of property, plant and equipment, intangible assets, right-of-use assets and other non-current assets.

	Group	
	2021 \$'000	2020 \$'000
<b>Revenue</b>		
Southeast Asia	2,972,599	2,834,840
Europe, Mediterranean and The Americas	1,152,108	968,142
Rest of Asia	545,133	375,956
	4,669,840	4,178,938
<b>Non-current assets</b>		
Southeast Asia	4,882,342	4,864,685
Europe, Mediterranean and The Americas	3,154,870	3,003,717
Rest of Asia	1,822,107	1,798,866
	9,859,319	9,667,268

Revenue and non-current assets included \$2,972.2 million (2020: \$2,834.4 million) and \$4,882.3 million (2020: \$4,864.7 million) respectively from Singapore.

## **30 Financial risk management**

### ***Overview***

Risk management is integral to the whole business of the Group. Exposure to credit, liquidity and market risks (including interest rate, currency and price risks) arises in the normal course of the Group's business. The Group has written risk management policies and guidelines. In addition, the Group has established processes to monitor and manage major exposures. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

***Credit risk***

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Cash and fixed deposits are placed with banks and financial institutions which are regulated. Investments and transactions involving hedging instruments are allowed only with counterparties that are of certain credit standing.

At 31 December 2021, there was no significant concentration of credit risk. The maximum exposure to credit risk was represented by the carrying amounts of each financial asset, including hedging instruments, in the statements of financial position. The Group entities use varied methods including past due information to assess its exposure to credit risk which takes into account the risk characteristics of the customers.

A summary of these entities' exposure to credit risk for trade and accrued receivables as at 31 December are as follows:

	<b>Gross carrying amount \$'000</b>	<b>Impairment loss allowance \$'000</b>	<b>Credit impaired</b>
<b>31 December 2021</b>			
Not past due	432,459	(458)	No
Past due less than 30 days	96,849	(114)	No
Past due 30 - 120 days	63,083	(41,329)	No
Past due more than 120 days	61,190	(36,704)	Yes
	<u>653,581</u>	<u>(78,605)</u>	
<b>31 December 2020</b>			
Not past due	450,715	(1,040)	No
Past due less than 30 days	97,505	(607)	No
Past due 30 - 120 days	79,044	(1,896)	No
Past due more than 120 days	140,387	(110,193)	Yes
	<u>767,651</u>	<u>(113,736)</u>	



*Movements in allowance for impairment*

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	<b>Group Lifetime ECL \$'000</b>
At 1 January 2020	95,307
Allowance for impairment	17,956
Amounts written off	(518)
Acquisition of subsidiaries	520
Translation differences on consolidation	471
At 31 December 2020	113,736
Write back of allowance for trade receivables	(32,420)
Amounts written off	(2,306)
Acquisition of subsidiaries	(7)
Translation differences on consolidation	(398)
At 31 December 2021	78,605

Except for the impaired receivables, no allowance for impairment is considered necessary in respect of the remaining trade receivables, including those receivables that are past due, as the Group believes that the amounts are still collectible, based on historical payment patterns and good credit records maintained by the customers. The Group considers its other financial assets to have low credit risk and the amount of the allowance on other financial assets is not significant.

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing guarantees on behalf of.

At 31 December 2021, the Company has issued guarantees on behalf of its subsidiaries and joint ventures which amounted to \$0.3 million (2020: \$26.4 million). These guarantees would become immediately payable by the Company in the event of default by these subsidiaries and joint ventures.

***Liquidity risk***

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The following are the expected contractual undiscounted cash inflows/(outflows) of non-derivative financial liabilities and hedging instruments, including interest payments and excluding the impact of netting agreements:

<b>Group</b>	<b>Carrying amounts \$'000</b>	<b>Contractual cash flows \$'000</b>	<b>Cash flows</b>		
			<b>Within 1 year \$'000</b>	<b>Between 1 and 5 years \$'000</b>	<b>After 5 years \$'000</b>
<b>31 December 2021</b>					
<b>Non-derivative financial liabilities</b>					
Interest-bearing liabilities	4,628,217	(5,127,282)	(581,994)	(2,349,909)	(2,195,379)
Lease liabilities	1,028,017	(1,419,455)	(85,935)	(276,929)	(1,056,591)
Loans from joint venture	170,301	(172,848)	(536)	(172,312)	–
Loans from non-controlling shareholders of subsidiaries	9,555	(9,835)	(56)	(224)	(9,555)
Trade and other payables	1,729,519	(1,729,519)	(1,729,519)	–	–
<b>Hedging instruments</b>					
- Assets	(8,618)				
Inflow		527,915	387,019	140,896	–
Outflow		(519,289)	(379,833)	(139,456)	–
- Liabilities	8,317				
Inflow		694,914	397,349	297,565	–
Outflow		(701,188)	(400,562)	(300,626)	–
	<u>7,565,308</u>	<u>(8,456,587)</u>	<u>(2,394,067)</u>	<u>(2,800,995)</u>	<u>(3,261,525)</u>
<b>31 December 2020</b>					
<b>Non-derivative financial liabilities</b>					
Interest-bearing liabilities	6,269,201	(6,812,850)	(2,284,857)	(1,470,230)	(3,057,763)
Lease liabilities	1,120,663	(1,664,435)	(98,098)	(324,220)	(1,242,117)
Loans from joint venture	150,109	(151,960)	(3,215)	(148,745)	–
Loans from non-controlling shareholders of subsidiaries	9,555	(9,940)	(77)	(308)	(9,555)
Trade and other payables	1,421,093	(1,421,093)	(1,421,093)	–	–
<b>Hedging instruments</b>					
- Assets	(68,171)				
Inflow		688,581	651,186	37,395	–
Outflow		(631,067)	(595,557)	(35,510)	–
- Liabilities	39,130				
Inflow		1,083,459	312,222	503,188	268,049
Outflow		(1,115,614)	(315,226)	(525,712)	(274,676)
	<u>8,941,580</u>	<u>(10,034,919)</u>	<u>(3,754,715)</u>	<u>(1,964,142)</u>	<u>(4,316,062)</u>

Company	Carrying amounts \$'000	Contractual cash flows \$'000	Cash flows		
			Within 1 year \$'000	Between 1 and 5 years \$'000	After 5 years \$'000
<b>31 December 2021</b>					
<b>Non-derivative financial liabilities</b>					
Interest-bearing liabilities	891,715	(1,069,047)	(26,327)	(943,829)	(98,891)
Lease liabilities	5,233	(5,285)	(5,285)	–	–
Trade and other payables	922,749	(922,749)	(922,749)	–	–
Hedging instruments					
- Assets	(88)				
Inflow		14,471	14,471	–	–
Outflow		(14,375)	(14,375)	–	–
- Liabilities	5,914				
Inflow		690,215	396,199	294,016	–
Outflow		(694,067)	(398,821)	(295,246)	–
	<u>1,825,523</u>	<u>(2,000,837)</u>	<u>(956,887)</u>	<u>(945,059)</u>	<u>(98,891)</u>
<b>31 December 2020</b>					
<b>Non-derivative financial liabilities</b>					
Interest-bearing liabilities	2,441,778	(2,794,841)	(949,472)	(326,675)	(1,518,694)
Trade and other payables	783,776	(783,776)	(783,776)	–	–
Hedging instruments					
- Liabilities	29,969				
Inflow		648,368	116,029	264,290	268,049
Outflow		(670,985)	(115,209)	(281,100)	(274,676)
	<u>3,255,523</u>	<u>(3,601,234)</u>	<u>(1,732,428)</u>	<u>(343,485)</u>	<u>(1,525,321)</u>

### Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, equity prices and fuel prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (a) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's interest-earning financial assets and interest-bearing financial liabilities. The Group's objective is to maintain a balance of fixed and floating rate exposures as well as a balanced maturity period.

*Managing interest rate benchmark reform and associated risks*

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as ‘IBOR reform’). The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform.

The following table shows the total amounts of unreformed contracts at 31 December 2021. The amounts are shown at their carrying amounts.

<b>Total amount of unreformed contracts</b>				
<b>\$'000</b>				
	<b>SIBOR</b>	<b>SOR</b>	<b>LIBOR</b>	<b>Canada BA / CDOR</b>
<b>Group</b>				
<b>31 December 2021</b>				
<b>Financial liabilities</b>				
Secured bank loans	–	–	30,118	62,449
Unsecured bank loans	173,086	410,414	–	–

At the reporting date, the interest rate profile of the interest-bearing financial assets and liabilities was:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Fixed rate</b>				
Cash and bank balances	2,790,892	2,836,570	1,908,091	1,831,607
Borrowings	(3,083,564)	(3,714,973)	(891,715)	(2,197,698)
Lease liabilities	(1,028,017)	(1,120,663)	(5,233)	–
	(1,320,689)		1,011,143	
	(1,999,066)		(366,091)	
<b>Floating rate</b>				
Cash and bank balances	894,157	1,560,394	192,646	979,769
Borrowings	(1,724,509)	(2,713,892)	–	(244,080)
	(830,352)		192,646	
	(1,153,498)		735,689	

*Hedging*

The Group has raised funding with issuance of debt capital market instruments and bank loans to diversify funding sources. Interest rate swaps have been entered to achieve an appropriate mix of fixed and floating rate exposures within the Group’s policy.

### *Cash flow hedge*

At 31 December 2020, a portion of the floating rate bank loans amounting to \$630.0 million have been hedged against the exposure to market fluctuations in interest rate payments. In connection with these loans, the Group entered into cross currency swap contracts to receive variable rate interest and pay fixed rate on the notional amounts. Both the floating rate bank loans and cross currency swaps have the same terms and conditions. The net fair value of the swaps as at 31 December 2020 comprises assets of \$65.3 million. The weighted average interest rate of the swaps as at 31 December 2020 ranged from 7.52% to 9.03% and the SGD:INR forward exchange rate as at 31 December 2020 ranged from 2020: 45.22 to 53.40. The swaps matured in 2021. Reclassification adjustments are recorded in finance income/cost.

### *Sensitivity analysis*

At 31 December 2021, it is estimated that a general increase of 100bps in interest rates would decrease the Group's profit before tax by approximately \$8.3 million (2020: \$5.2 million). A general decrease of 100bps in interest rates would have the equal but opposite effect on the Group's profit before tax. The general increase or decrease of 100bps in interest rates would have no significant impact on the Group's other comprehensive income. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

At 31 December 2021, it is estimated that a general increase of 100bps in interest rates would increase the Company's profit before tax by approximately \$1.9 million (2020: decrease by approximately \$7.4 million). A general decrease of 100bps in interest rates would have the equal but opposite effect on the Company's profit before tax. The general increase or decrease of 100bps in interest rates would have no significant impact on the Company's other comprehensive income. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects.

### **(b) Foreign currency risk**

The Group is exposed to foreign currency risk on sales, purchases, bank deposits, bank loans and fixed and floating rates notes that are denominated in a currency other than the functional currencies of the Group entities. The functional currencies of the Group entities are primarily the Singapore dollar and the Euro. In respect of other monetary assets and liabilities held in currencies other than the functional currencies of the Group entities, the Group monitors the net exposure.

A portion of the Group and the Company's fixed rate bonds amounting to \$270.4 million (2020: \$264.7 million) has been hedged against the exposure to fluctuations in foreign currency. In connection with this, the Group and the Company entered into cross currency swap contracts to receive and pay fixed interest rate. Both the fixed rate bonds and foreign currency contracts have the same terms and conditions. The net fair value of the swaps as at 31 December 2021 comprises liabilities of \$5.8 million (2020: \$29.6 million). The weighted average SGD:USD forward exchange rate as at 31 December 2021 ranged from 0.73 to 0.74 (2020: 0.73 to 0.74). The swap will mature in 2026. Reclassification adjustments are recorded in finance income/cost.

The Group's US dollar and Hong Kong dollar denominated unsecured bank loans, fixed and floating rates notes amounting to \$1.90 billion (2020: \$2.12 billion) are designated as hedging instruments for the Group's investments in its associates.

The Group's (excluding the US dollar and Hong Kong dollar denominated unsecured bank loans, fixed and floating rates notes designated as hedging instruments for the Group's investments in its associates) and Company's significant exposures to foreign currencies were as follows:

	2021		2020	
	HK Dollar \$'000	US Dollar \$'000	HK Dollar \$'000	US Dollar \$'000
<b>Group</b>				
Financial assets	–	401,452	516	335,432
Other non-current assets	–	137,517	–	133,590
Cash and bank balances	26,092	356,804	89,110	680,522
Trade and other receivables	–	126,444	856	110,751
Interest-bearing liabilities	–	(214,936)	–	(619,492)
Trade and other payables	(6,598)	(58,177)	(6,450)	(52,310)
	<u>19,494</u>	<u>749,104</u>	<u>84,032</u>	<u>588,493</u>
<b>Company</b>				
Financial assets	–	100,619	–	86,704
Loans to subsidiaries	–	1,118,431	–	1,009,406
Cash and bank balances	26,058	216,284	89,094	620,750
Interest-bearing liabilities	(173,200)	(718,515)	(170,572)	(2,027,126)
Trade and other payables	(6,548)	(39,346)	(6,450)	(10,791)
	<u>(153,690)</u>	<u>677,473</u>	<u>(87,928)</u>	<u>(321,057)</u>

#### *Sensitivity analysis*

At 31 December 2021, it is estimated that a 10% strengthening in the Singapore dollar against the Hong Kong dollar would decrease the Group's profit before tax by approximately \$1.9 million (2020: \$8.4 million) and decrease the Group's other comprehensive income by approximately \$nil million (2020: \$0.05 million). A 10% weakening in the Singapore dollar against the Hong Kong dollar would have the equal but opposite effect on the Group's profit before tax and other comprehensive income.

At 31 December 2021, it is estimated that a 10% strengthening in the Singapore dollar against the US dollar would decrease the Group's profit before tax by approximately \$34.8 million (2020: \$25.3 million) and decrease the Group's other comprehensive income by approximately \$40.1 million (2020: \$33.5 million). A 10% weakening in the Singapore dollar against the US dollar would have the equal but opposite effect on the Group's profit before tax and other comprehensive income.

At 31 December 2021, it is estimated that a 10% strengthening in the Singapore dollar against the Hong Kong dollar would increase the Company's profit before tax by approximately \$15.4 million (2020: \$8.8 million). A 10% weakening in the Singapore dollar against the Hong Kong dollar would have the equal but opposite effect on the Company's profit before tax.

At 31 December 2021, it is estimated that a 10% strengthening in the Singapore dollar against the US dollar would decrease the Company's profit before tax by approximately \$57.7 million (2020: increase by \$40.8 million) and decrease the Company's other comprehensive income by approximately \$10.1 million (2020: \$8.7 million). A 10% weakening in the Singapore dollar against the US dollar would have the equal but opposite effect on the Company's profit before tax and other comprehensive income.

This analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

**(c) *Equity price risk***

Equity security price risk is the risk of changes in fair value of the Group's investments due to changes in the underlying equity securities prices. The risk is concentrated in the Group's investments in equity securities.

*Sensitivity analysis*

At 31 December 2021, it is estimated that a 10% increase in the underlying equity prices would increase the Group's profit before tax by approximately \$1.1 million (2020: \$0.8 million) and increase the Group's other comprehensive income by \$190.5 million (2020: \$135.2 million). A 10% decrease in the underlying equity prices would have the equal but opposite effect on the Group's profit before tax and other comprehensive income. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

## **31 Fair values**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

**(a) *Quoted equity securities and trust units***

Fair value is based on quoted bid prices at the reporting date, without any deduction for transaction costs.

**(b) *Hedging instruments***

The fair value of interest rate swaps, cross currency swaps and fuel forward contracts is based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

**(c) Fixed rate interest-bearing borrowings**

Fair value is calculated based on quoted offer price or discounted expected future principal and interest cash flows using market interest rates.

**(d) Floating rate interest-bearing borrowings**

The Group believes that the carrying amounts of floating rate interest-bearing loans, which are repriced at least semi-annually, reflect the corresponding fair values.

**(e) Other financial assets and liabilities**

The notional amounts of financial assets and liabilities with a maturity of less than one year (including cash and bank balances, trade and other receivables, trade and other payables, current borrowings) are assumed to approximate their fair values because of the short period to maturity.

**Fair values versus carrying amounts**

The carrying amounts of financial assets and liabilities are as follows.

Group	Note	Amortised cost \$'000	FVTPL - equity instruments \$'000	FVOCI - equity instruments \$'000	Fair value - hedging instruments \$'000	Other financial liabilities \$'000	Total carrying amounts \$'000
<b>31 December 2021</b>							
Equity investments at FVOCI	9	–	–	1,904,710	–	–	1,904,710
Equity investments at FVTPL	9	–	11,195	–	–	–	11,195
Hedging instruments	10, 12	–	–	–	8,618	–	8,618
		–	11,195	1,904,710	8,618	–	1,924,523
Other non-current assets	10	182,080	–	–	–	–	182,080
Trade and other receivables	12	936,617	–	–	–	–	936,617
Cash and bank balances	15	3,685,049	–	–	–	–	3,685,049
		4,803,746	–	–	–	–	4,803,746
Hedging instruments	20, 21	–	–	–	(8,317)	–	(8,317)
Unsecured fixed and floating rates notes	18	–	–	–	–	(2,889,062)	(2,889,062)
Secured bank loans	18	–	–	–	–	(263,050)	(263,050)
Unsecured bank loans	18	–	–	–	–	(1,476,105)	(1,476,105)
Loans from joint venture	18	–	–	–	–	(170,301)	(170,301)
Loans from non-controlling shareholders of subsidiaries	18	–	–	–	–	(9,555)	(9,555)
Trade and other payables	21	–	–	–	–	(1,729,519)	(1,729,519)
		–	–	–	–	(6,537,592)	(6,537,592)



Group	Note	Amortised cost \$'000	FVTPL - equity instruments \$'000	FVOCI - equity instruments \$'000	Fair value - hedging instruments \$'000	Other financial liabilities \$'000	Total carrying amounts \$'000
<b>31 December 2020</b>							
Equity investments at FVOCI	9	–	–	1,352,288	–	–	1,352,288
Equity investments at FVTPL	9	–	7,737	–	–	–	7,737
Hedging instruments	10, 12	–	–	–	68,171	–	68,171
		–	7,737	1,352,288	68,171	–	1,428,196
Other non-current assets	10	188,389	–	–	–	–	188,389
Trade and other receivables	12	964,990	–	–	–	–	964,990
Cash and bank balances	15	4,396,964	–	–	–	–	4,396,964
		5,550,343	–	–	–	–	5,550,343
Hedging instruments	20, 21	–	–	–	(39,130)	–	(39,130)
Unsecured fixed and floating rates notes	18	–	–	–	–	(3,500,144)	(3,500,144)
Secured bank loans	18	–	–	–	–	(883,933)	(883,933)
Unsecured bank loans	18	–	–	–	–	(1,885,124)	(1,885,124)
Loans from joint venture	18	–	–	–	–	(150,109)	(150,109)
Loans from non- controlling shareholders of subsidiaries	18	–	–	–	–	(9,555)	(9,555)
Trade and other payables	21	–	–	–	–	(1,421,093)	(1,421,093)
		–	–	–	–	(7,849,958)	(7,849,958)

Company	Note	Amortised cost \$'000	FVOCI - equity instruments \$'000	Fair value - hedging instruments \$'000	Other financial liabilities \$'000	Total carrying amounts \$'000
<b>31 December 2021</b>						
Equity investments at FVOCI	9	–	100,619	–	–	100,619
Hedging instruments	12	–	–	88	–	88
		–	100,619	88	–	100,707
Other non-current assets	10	7,512	–	–	–	7,512
Trade and other receivables	12	268,877	–	–	–	268,877
Cash and bank balances	15	2,100,737	–	–	–	2,100,737
		2,377,126	–	–	–	2,377,126
Hedging instruments	20, 21	–	–	(5,914)	–	(5,914)
Unsecured fixed and floating rates notes	18	–	–	–	(173,200)	(173,200)
Unsecured loan from subsidiary	18	–	–	–	(718,515)	(718,515)
Trade and other payables	21	–	–	–	(922,749)	(922,749)
		–	–	–	(1,814,464)	(1,814,464)
<b>31 December 2020</b>						
Equity investments at FVOCI	9	–	86,704	–	–	86,704
Other non-current assets	10	12,648	–	–	–	12,648
Trade and other receivables	12	197,227	–	–	–	197,227
Cash and bank balances	15	2,811,376	–	–	–	2,811,376
		3,021,251	–	–	–	3,021,251
Hedging instruments	20, 21	–	–	(29,969)	–	(29,969)
Unsecured fixed and floating rates notes	18	–	–	–	(832,374)	(832,374)
Unsecured bank loans	18	–	–	–	(244,080)	(244,080)
Unsecured loan from subsidiary	18	–	–	–	(1,365,324)	(1,365,324)
Trade and other payables	21	–	–	–	(783,776)	(783,776)
		–	–	–	(3,225,554)	(3,225,554)

As at 31 December 2021, the Group's fair value of unsecured fixed and floating rates notes was \$3.0 billion (2020: \$3.7 billion). The Company's fair values of unsecured fixed and floating rates notes and unsecured loan from subsidiary were \$0.2 billion (2020: \$0.9 billion) and \$0.8 billion (2020: \$1.5 billion) respectively. The fair values of other financial assets and liabilities approximate their carrying amounts.

***Fair value hierarchy***

The tables below analyse fair value measurements for financial assets and financial liabilities, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

***Financial assets and financial liabilities carried at fair value***

<b>Group</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>31 December 2021</b>				
Equity instruments at FVOCI	1,675,817	–	228,893	1,904,710
Equity investments at FVTPL	3,458	–	7,737	11,195
Hedging instrument assets	–	8,618	–	8,618
	<u>1,679,275</u>	<u>8,618</u>	<u>236,630</u>	<u>1,924,523</u>
Hedging instrument liabilities	–	(8,317)	–	(8,317)
<b>31 December 2020</b>				
Equity instruments at FVOCI	1,158,551	–	193,737	1,352,288
Equity investments at FVTPL	–	–	7,737	7,737
Hedging instrument assets	–	68,171	–	68,171
	<u>1,158,551</u>	<u>68,171</u>	<u>201,474</u>	<u>1,428,196</u>
Hedging instrument liabilities	–	(39,130)	–	(39,130)
<b>Company</b>				
<b>31 December 2021</b>				
Equity instruments at FVOCI	100,619	–	–	100,619
Hedging instruments assets	–	88	–	88
	<u>100,619</u>	<u>88</u>	<u>–</u>	<u>100,707</u>
Hedging instrument liabilities	–	(5,914)	–	(5,914)
<b>31 December 2020</b>				
Equity instruments at FVOCI	<u>86,704</u>	–	–	86,704
Hedging instrument liabilities	–	(29,969)	–	(29,969)

***Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed\****

<b>Group</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Total \$'000</b>
<b>31 December 2021</b>			
Other non-current assets	–	182,080	182,080
Unsecured fixed and floating rates notes	–	(2,951,863)	(2,951,863)
Secured bank loans	–	(263,050)	(263,050)
Unsecured bank loans	–	(1,476,105)	(1,476,105)
Loans from joint venture	–	(170,301)	(170,301)
Loans from non-controlling shareholders of subsidiaries	–	(9,555)	(9,555)
	–	(4,870,874)	(4,870,874)
<b>31 December 2020</b>			
Other non-current assets	–	188,389	188,389
Unsecured fixed and floating rates notes	–	(3,674,736)	(3,674,736)
Secured bank loans	–	(883,933)	(883,933)
Unsecured bank loans	–	(1,885,124)	(1,885,124)
Loans from joint venture	–	(150,109)	(150,109)
Loans from non-controlling shareholders of subsidiaries	–	(9,555)	(9,555)
	–	(6,603,457)	(6,603,457)
<b>Company</b>			
<b>31 December 2021</b>			
Unsecured fixed and floating rates notes	–	(187,810)	(187,810)
Unsecured loan from subsidiary	–	(824,747)	(824,747)
	–	(1,012,557)	(1,012,557)
<b>31 December 2020</b>			
Unsecured fixed and floating rates notes	–	(859,962)	(859,962)
Unsecured bank loans	–	(244,080)	(244,080)
Unsecured loan from subsidiary	–	(1,514,223)	(1,514,223)
	–	(2,618,265)	(2,618,265)

\* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

## 32 Acquisition and disposal of subsidiaries

### (a) Acquisition of subsidiaries

The Group acquired equity interests in subsidiaries in India and China during 2021 and in Peru and Italy during 2020. The acquisition of the subsidiaries had no significant impact to the Group's net profit for the year. The effects of the acquisition on the financial position of the Group were as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Property, plant and equipment	19,547	99,524
Intangible assets	139,210	157,736
Right-of-use assets	2,387	48,883
Deferred tax assets	–	1,151
Other non-current assets	499	1,612
Cash and bank balances	3,471	1,197
Other current assets	21,634	40,847
Borrowings	–	(8,621)
Lease liabilities	(1,955)	(48,529)
Current tax payable	(762)	(3,964)
Deferred tax liabilities	(581)	(11,668)
Provisions	(1,038)	–
Other non-current obligations	(99)	(5,530)
Other current liabilities	(7,701)	(29,096)
Identifiable net assets	<u>174,612</u>	<u>243,542</u>
Less: Non-controlling interests	(13,595)	(14,876)
Total identifiable net assets	161,017	228,666
Less: Amounts previously accounted for as associate	–	(21,119)
Total consideration paid	161,017	207,547
Cash acquired, net of overdrafts of subsidiaries	<u>(3,471)</u>	<u>(1,197)</u>
Net cash outflow on acquisition of subsidiaries	<u>157,546</u>	<u>206,350</u>

**(b) Disposal of subsidiary**

The Group disposed equity interest in a subsidiary in Belgium during 2021. The effects of the disposal on the financial position of the Group were as follows:

	<b>Group 2021 \$'000</b>
Property, plant and equipment	17,588
Intangible assets	86
Right-of-use assets	13,451
Deferred tax assets	48
Cash and bank balances	1,036
Other current assets	19,632
Lease liabilities	(23,316)
Deferred tax liabilities	(346)
Current liabilities	(23,624)
Net assets derecognised	4,555
Accounted for as investment in joint venture	(2,278)
Net assets disposed	2,277
Gain on disposal of subsidiary	8,707
Cash and bank balances disposed	(1,036)
Disposal of a subsidiary, net of cash disposed	9,948

### 33 Commitments

As at the reporting dates, the Group had the following commitments:

	<b>2021 \$'000</b>	<b>Group</b>	<b>2020 \$'000</b>
Capital commitments which have been authorised and contracted but not provided for in the financial statements	788,910		973,444

### 34 Related parties

***Key management personnel compensation***

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Board of Directors and Senior Management Council of the Company are considered as key management personnel of the Group.

The compensation paid or payable to key management personnel comprised:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Directors' fees	2,716	2,399
Senior Management Council remuneration	18,026	21,051
	20,742	23,450

***Other related party transactions***

Other than disclosed elsewhere in the financial statements, transactions with related parties were as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Provision of services</b>		
Related corporations	96,469	1,313
Joint ventures	60,601	74,061
	60,601	74,061
<b>Purchase of services</b>		
Related corporations	(34,299)	(23,347)
Joint ventures	(167,441)	(145,302)
	(167,441)	(145,302)

### **35 New standards and interpretations not yet adopted**

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021, and have not been applied in preparing these financial statements. The Group has yet to assess the full impact of these standards and will apply these standards as and when they become effective.

### **36 Subsequent events**

On 25 February 2022, the Group issued 1 billion Hong Kong Dollar fixed rate notes.