



























**4 Net operating costs** (continued)

|   | 2024         | 2023        |
|---|--------------|-------------|
|   | US\$m        | US\$m       |
| <b>Net operating costs included the following gains/(losses) from non-trading items:</b>          |              |             |
| Change in fair value of other investments   | (9)          | 11          |
| Impairment of goodwill (refer note 10)  | (142)        | (226)       |
| Loss relating to divestment of interest in Yonghui Superstores Co., Ltd (Yonghui) (refer note 23) | (114)        | –           |
| Sale and closure of businesses  | (137)        | 36          |
| Sale of a hotel   | (31)         | –           |
| Sale of property interests  | 74           | 123         |
| Restructuring of businesses   | (22)         | (13)        |
| Other   | (54)         | (6)         |
|   | <b>(435)</b> | <b>(75)</b> |

**5 Net financing charges**

|                                 | 2024         | 2023         |
|---------------------------------|--------------|--------------|
|                                 | US\$m        | US\$m        |
| Interest expense                |              |              |
| – bank loans and advances       | (373)        | (354)        |
| – interest on lease liabilities | (143)        | (130)        |
| – other                         | (255)        | (255)        |
|                                 | (771)        | (739)        |
| Interest capitalised            | 18           | 22           |
| Commitment and other fees       | (43)         | (52)         |
| Financing charges               | (796)        | (769)        |
| Financing income                | 270          | 253          |
|                                 | <b>(526)</b> | <b>(516)</b> |

## 6 Share of results of associates and joint ventures

|                               | 2024         | 2023         |
|-------------------------------|--------------|--------------|
|                               | US\$m        | US\$m        |
| <b>By business:</b>           |              |              |
| Jardine Pacific               | 137          | 130          |
| Zhongsheng                    | 67           | 238          |
| Hongkong Land                 | 254          | 253          |
| DFI Retail                    | 84           | 53           |
| Mandarin Oriental             | 13           | (1)          |
| Jardine Cycle & Carriage      | 118          | 122          |
| Astra                         | 635          | 611          |
| Corporate and other interests | (9)          | (20)         |
|                               | <b>1,299</b> | <b>1,386</b> |

Share of results of associates and joint ventures included a write-down of US\$178 million (2023: US\$66 million) on the Chinese mainland properties for sale in Hongkong Land's property joint ventures, arising from the deterioration in market conditions that resulted in projected sales prices being lower than development costs.

|  | 2024       | 2023       |
|--|------------|------------|
|  | US\$m      | US\$m      |
| <b>Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:</b> |            |            |
| Change in fair value of investment properties  | 136        | 18         |
| Change in fair value of other investments  | 27         | 11         |
| Sale of businesses   | 28         | –          |
| Share of Zhongsheng's results from 1 July 2022 to 31 December 2022 (refer note 9)                                      | –          | 101        |
| Other  | (17)       | (5)        |
|  | <b>174</b> | <b>125</b> |

Results are shown after tax and non-controlling interests in the associates and joint ventures.

## 7 Tax

|   | 2024<br>US\$m | 2023<br>US\$m |
|---|---------------|---------------|
| <b>Tax charged to profit and loss is analysed as follows:</b>                           |               |               |
| Current tax   | (894)         | (1,043)       |
| Deferred tax  | 18            | 100           |
|   | (876)         | (943)         |
| China   | (151)         | (160)         |
| Southeast Asia  | (683)         | (761)         |
| Rest of the world   | (42)          | (22)          |
|   | (876)         | (943)         |
| <b>Reconciliation between tax expense and tax at the applicable tax rate*:</b>          |               |               |
| Tax at applicable tax rate  | (297)         | (509)         |
| Income not subject to tax   |               |               |
| – change in fair value of investment properties   | 6             | 8             |
| – other items   | 182           | 216           |
| Expenses not deductible for tax purposes  |               |               |
| – change in fair value of investment properties   | (353)         | (318)         |
| – other items   | (293)         | (246)         |
| Tax losses and temporary differences not recognised                                     | (72)          | (37)          |
| Utilisation of previously unrecognised tax losses and temporary differences             | 17            | 28            |
| Recognition of previously unrecognised tax losses and temporary differences             | 6             | 7             |
| Deferred tax assets written off   | (19)          | (2)           |
| Deferred tax liabilities written back   | 20            | 2             |
| Overprovision in prior years  | 6             | 1             |
| Withholding tax   | (93)          | (92)          |
| (Provision)/overprovision of land appreciation tax in Chinese mainland                  | (6)           | 3             |
| Effect of changes in tax legislation  | 14            | -             |
| Other   | 6             | (4)           |
|   | (876)         | (943)         |
| <b>Tax relating to components of other comprehensive income is analysed as follows:</b> |               |               |
| Remeasurements of defined benefit plans   | (2)           | 4             |
| Cash flow hedges  | (1)           | 9             |
|   | (3)           | 13            |

\*The applicable tax rate for the year was 46.5% (2023: 26.5%) and represents the weighted average of the rates of taxation prevailing in the territories in which the Group operates. The increase in applicable tax rate is mainly caused by a change in the geographic mix of the Group's profits and losses.

Share of tax charge of associates and joint ventures of US\$406 million (2023: US\$282 million) is included in share of results of associates and joint ventures. Share of tax charge of US\$1 million (2023: tax credit of US\$1 million) is included in other comprehensive income of associates and joint ventures.

## 7 Tax (continued)

The Group is within the scope of the OECD Pillar Two model rules, and has applied the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes from 1 January 2023.

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Group operates. The legislation has become effective for the Group's financial year ended 31 December 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the latest financial information for the year ended 31 December 2024 of the constituent entities in the Group. Based on the assessment, the effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the effective tax rate is slightly below or close to 15%. The income tax expense related to Pillar Two income taxes in the relevant jurisdiction is assessed to be immaterial.

## 8 Earnings/(loss) per share

Basic earnings/(loss) per share are calculated on loss attributable to shareholders of US\$468 million (2023: profit of US\$686 million) and on the weighted average number of 290 million (2023: 290 million) shares in issue during the year.

Diluted earnings/(loss) per share are calculated on loss attributable to shareholders of US\$468 million (2023: profit of US\$686 million), which is after adjusting for the effects of the conversion of dilutive potential ordinary shares of subsidiaries and associates, and on the weighted average number of 290 million (2023: 290 million) shares in issue during the year. There was no shares deemed to be issued for no consideration for the calculation of diluted earnings per share under the Senior Share Executive Incentive Schemes for the years ended 31 December 2024 and 2023.

Additional basic and diluted earnings per share are also calculated based on underlying profit attributable to shareholders.

A reconciliation of earnings is set out below:

|  | 2024  |   |   | 2023  |  |  |
|--|-------|---|---|-------|--|--|
|  | US\$m | Basic<br>(loss)/<br>earnings<br>per share<br>US\$ | Diluted<br>(loss)/<br>earnings<br>per share<br>US\$ | US\$m | Basic<br>earnings per<br>share<br>US\$ | Diluted<br>earnings per<br>share<br>US\$ |
| (Loss)/profit attributable to shareholders     | (468) | (1.61)  | (1.61)  | 686   | 2.37                                   | 2.37                                     |
| Non-trading items (refer note 9)               | 1,939 |   |   | 975   |  |  |
| Underlying profit attributable to shareholders | 1,471 | 5.07  | 5.07  | 1,661 | 5.74                                   | 5.73                                     |

## 9 Non-trading items

|  | 2024                       |                                       | 2023                       |                                       |
|--|----------------------------|---------------------------------------|----------------------------|---------------------------------------|
|  | Profit before tax<br>US\$m | Attributable to shareholders<br>US\$m | Profit before tax<br>US\$m | Attributable to shareholders<br>US\$m |
| <b>By business:</b>  |                            |                                       |                            |                                       |
| Jardine Pacific  | (14)                       | (13)                                  | 25                         | 23                                    |
| Zhongsheng/Jardine Motor Interests                                 | (293)                      | (293)                                 | 165                        | 165                                   |
| Hongkong Land  | (1,847)                    | (1,005)                               | (1,290)                    | (701)                                 |
| DFI Retail   | (509)                      | (392)                                 | (201)                      | (156)                                 |
| Mandarin Oriental  | (187)                      | (157)                                 | (489)                      | (394)                                 |
| Jardine Cycle & Carriage   | (134)                      | (106)                                 | 55                         | 54                                    |
| Astra  | (44)                       | (20)                                  | (40)                       | (12)                                  |
| Corporate and other interests                                      | 47                         | 47                                    | 46                         | 46                                    |
|  | (2,981)                    | (1,939)                               | (1,729)                    | (975)                                 |
| <b>An analysis of non-trading items is set out below:</b>          |                            |                                       |                            |                                       |
| Change in fair value of investment properties                      |                            |                                       |                            |                                       |
| – Hongkong Land  | (1,839)                    | (1,001)                               | (1,307)                    | (710)                                 |
| – other  | (238)                      | (208)                                 | (454)                      | (356)                                 |
|  | (2,077)                    | (1,209)                               | (1,761)                    | (1,066)                               |
| Change in fair value of other investments                          | 18                         | 22                                    | 22                         | 35                                    |
| Impairment of goodwill (refer note 10)                             | (142)                      | (112)                                 | (226)                      | (172)                                 |
| Impairment of associates (refer note 15)                           | (508)                      | (456)                                 | –                          | –                                     |
| Loss relating to divestment of interest in Yonghui (refer note 23) | (114)                      | (89)                                  | –                          | –                                     |
| Sale and closure of businesses                                     | (109)                      | (85)                                  | 35                         | 44                                    |
| Sale of hotel properties   | (31)                       | (28)                                  | –                          | (2)                                   |
| Sale of property interests   | 74                         | 67                                    | 123                        | 105                                   |
| Restructuring of businesses  | (22)                       | (16)                                  | (15)                       | (11)                                  |
| Share of Zhongsheng's results from 1 July 2022 to 31 December 2022 | –                          | –                                     | 101                        | 101                                   |
| Other  | (70)                       | (33)                                  | (8)                        | (9)                                   |
|  | (2,981)                    | (1,939)                               | (1,729)                    | (975)                                 |

Zhongsheng's annual results had historically been reported after the Group's results announcement. In previous years, the Group had recognised its 21% share of Zhongsheng's results based on publicly available reported results as at the Group's reporting date and the results were reported six months in arrears. From 2023, however, the Group had determined that a better representation of Zhongsheng's current performance would be given using management's estimate of its share of Zhongsheng's results on a calendar year basis, based on an average of recent external analyst estimates.

This change had been adopted prospectively from 1 January 2023 as a change in estimate such that the Group's 2023 results included its share of Zhongsheng's results for an eighteen-month period from 1 July 2022 to 31 December 2023. The Group's share of Zhongsheng's results for the year ended 31 December 2023 were presented as underlying profit, and the results for 1 July 2022 to 31 December 2022 had been presented as a non-trading item so as not to distort the underlying performance.

## 10 Intangible assets

|  | Goodwill<br>US\$m | Franchise<br>rights<br>US\$m | Concession<br>rights<br>US\$m | Deferred<br>exploration<br>costs<br>US\$m | Other<br>US\$m | Total<br>US\$m |
|--|-------------------|------------------------------|-------------------------------|---|----------------|----------------|
| <b>2024</b>                                      |                   |                              |                               |   |                |                |
| Cost   | 1,194             | 139                          | 665                           | 1,320                                     | 652            | <b>3,970</b>   |
| Amortisation and impairment                      | (364)             | (2)                          | (77)                          | (842)                                     | (411)          | <b>(1,696)</b> |
| Net book value at 1 January                      | 830               | 137                          | 588                           | 478                                       | 241            | <b>2,274</b>   |
| Exchange differences                             | (18)              | (7)                          | (27)                          | 1   | (6)            | <b>(57)</b>    |
| New subsidiaries                                 | 4                 | –                            | –                             | –   | 25             | <b>29</b>      |
| Purchase price adjustment<br>(refer note 33 (c)) | 58                | –                            | –                             | –   | 13             | <b>71</b>      |
| Additions  | –                 | 10                           | 23                            | 55  | 71             | <b>159</b>     |
| Disposals  | (38)              | –                            | –                             | –   | (1)            | <b>(39)</b>    |
| Amortisation                                     | –                 | (1)                          | (9)                           | (72)                                      | (70)           | <b>(152)</b>   |
| Impairment charge                                | (142)             | –                            | –                             | (19)                                      | (8)            | <b>(169)</b>   |
| Net book value at 31 December                    | <b>694</b>        | <b>139</b>                   | <b>575</b>                    | <b>443</b>                                | <b>265</b>     | <b>2,116</b>   |
| Cost   | 1,071             | 146                          | 657                           | 1,376                                     | 693            | <b>3,943</b>   |
| Amortisation and impairment                      | (377)             | (7)                          | (82)                          | (933)                                     | (428)          | <b>(1,827)</b> |
|  | <b>694</b>        | <b>139</b>                   | <b>575</b>                    | <b>443</b>                                | <b>265</b>     | <b>2,116</b>   |
| <b>2023</b>                                      |                   |                              |                               |   |                |                |
| Cost   | 1,273             | 136                          | 623                           | 1,270                                     | 587            | 3,889          |
| Amortisation and impairment                      | (188)             | (1)                          | (62)                          | (772)                                     | (381)          | (1,404)        |
| Net book value at 1 January                      | 1,085             | 135                          | 561                           | 498                                       | 206            | 2,485          |
| Exchange differences                             | 8                 | 2                            | 11                            | 1   | 1              | 23             |
| New subsidiaries                                 | 45                | –                            | –                             | –   | 38             | 83             |
| Additions  | –                 | –                            | 29                            | 51  | 69             | 149            |
| Disposals  | (72)              | –                            | –                             | –   | (6)            | (78)           |
| Amortisation                                     | –                 | –                            | (13)                          | (60)                                      | (65)           | (138)          |
| Impairment charge                                | (236)             | –                            | –                             | (12)                                      | (2)            | (250)          |
| Net book value at 31 December                    | 830               | 137                          | 588                           | 478                                       | 241            | 2,274          |
| Cost   | 1,194             | 139                          | 665                           | 1,320                                     | 652            | 3,970          |
| Amortisation and impairment                      | (364)             | (2)                          | (77)                          | (842)                                     | (411)          | (1,696)        |
|  | 830               | 137                          | 588                           | 478                                       | 241            | 2,274          |
|  |                   |                              |                               |   | <b>2024</b>    | 2023           |
|  |                   |                              |                               |   | US\$m          | US\$m          |
| <b>Goodwill allocation by business:</b>          |                   |                              |                               |   |                |                |
| Jardine Pacific                                  |                   |                              |                               |   | <b>22</b>      | 31             |
| DFI Retail                                       |                   |                              |                               |   | <b>94</b>      | 266            |
| Mandarin Oriental                                |                   |                              |                               |   | <b>40</b>      | 37             |
| Astra  |                   |                              |                               |   | <b>538</b>     | 496            |
|  |                   |                              |                               |   | <b>694</b>     | 830            |

## 10 Intangible assets (continued)

Goodwill relating to DFI Retail is allocated to groups of cash-generating units (CGU) identified by banners or groups of stores acquired in each geographical segment. Management has assessed the recoverable amounts of each CGU based on value-in-use calculations using cash flow projections in the approved budgets which have forecasts covering a period of three years and projections for a further two years. Cash flows beyond the projection periods were extrapolated using the assumptions on average sales growth rates, average annual profit growth rates, pre-tax discount rates and long-term growth rates. The pre-tax discount rates reflected business specific risks relating to the relevant industries, business life-cycle and the risk related to the places of operation.

Following the above impairment review, total goodwill relating to DFI Retail of US\$133 million (2023: US\$171 million) was impaired in 2024. Included in the impairment was a charge of US\$120 million (2023: US\$60 million) against goodwill relating to its San Miu business in Macau. Goodwill relating to San Miu in Macau was reduced to its recoverable amount of US\$120 million in 2023 and was fully impaired in 2024. During 2023, the goodwill relating to its Giant business in Singapore of US\$83 million was fully impaired.

The recoverable amounts based on the value-in-use calculation under the impairment review in DFI Retail in 2023 were inherently sensitive to changes in assumptions. Summary of significant assumptions used and sensitivities on how the recoverable amounts would change if the assumptions changed by a reasonable amount for San Miu are listed below:

|   | 2024                |   | 2023                |   |
|---|---------------------|---|---------------------|---|
|   | DFI retail<br>US\$m | Group's<br>attributable<br>share<br>US\$m | DFI retail<br>US\$m | Group's<br>attributable<br>share<br>US\$m |
| Principal countries of operation                                      | Macau               |   | Macau               |   |
| Goodwill allocated after impairment                                   | –                   |   | 120                 |   |
| <b>Assumptions used:</b>  |                     |   |                     |   |
| Cash flow projection period   | 5 years             |   | 5 years             |   |
| Average sales growth rate   | 2.2%                |   | 5.1%                |   |
| Average gross profit growth rate                                      | 0.8%                |   | 6.3%                |   |
| Pre-tax discount rate   | 9.9%                |   | 10.9%               |   |
| Long-term growth rate   | 2.2%                |   | 2.5%                |   |
| <b>Sensitivities on recoverable amounts:</b>                          |                     |   |                     |   |
| A further impairment charge if:                                       |                     |   |                     |   |
| – average sales growth rate conforms to long-term growth rate of 2.5% | N/A                 | N/A                                       | (34)                | (26)                                      |
| – average gross profit growth rate 1.5% lower                         | N/A                 | N/A                                       | (36)                | (28)                                      |
| – pre-tax discount rate 1.0% higher                                   | N/A                 | N/A                                       | (16)                | (13)                                      |
| – long-term growth rate 1.0% lower                                    | N/A                 | N/A                                       | (12)                | (9)                                       |

The changes in the average sales growth rate and average gross profit growth rate between 2024 and 2023 reflected management's adjusted expectations due to the poor market recovery of the San Miu business. These unfavourable changes led to an additional impairment charge in 2024.

Key assumptions used for value-in-use calculation for Giant business in Singapore in 2023 included average sales growth rate of 1.0% and average gross profit growth rate of 0.3%. Cash flows beyond the five-year period were extrapolated using long-term growth rate of 1.0% and pre-tax discount rate of 9.6%.

## 10 Intangible assets (continued)

Key assumptions used for value-in-use calculations for the remaining balances of DFI Retail goodwill in 2024 include budgeted gross margins between 37% and 64% (2023: 27% and 36%) and long-term sales growth rate of 2% (2023: 1% and 4.5%) to project cash flows, which vary across the group's business segments and geographical locations, over a five-year period, and were based on management's expectations for the market development; and pre-tax discount rate of 9% (2023: 12% and 13%) applied to the cash flow projections. The discount rates used reflect business specific risks relating to the relevant industry, business life-cycle and geographical location. On the basis of this review, DFI Retail management concluded that no further impairment was required.

Goodwill relating to Astra mainly represents goodwill arising from the acquisition of shares in Astra which is regarded as an operating segment, and those arising from Astra's acquisition of subsidiaries. The impairment review of goodwill in 2024 was made by comparing the carrying amount of Astra, including the goodwill arising from the acquisition of shares, with the recoverable amount. The recoverable amount is determined based on a value-in-use calculation. This calculation uses pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using estimated growth rates between 5% and 6% and a pre-tax discount rate of 15%. The growth rate does not exceed the long-term average growth rate of the industries that Astra operates in. The pre-tax discount rate reflects business specific risks relating to Astra. For 2023, the carrying amount of Astra was compared with the recoverable amount measured with reference to the quoted market price of the shares held. On the basis of these reviews, management concluded no impairment had occurred at 31 December 2024 and 2023.

Franchise rights mainly include rights under franchise agreements with automobile and heavy equipment manufacturers. These franchise agreements are deemed to have indefinite lives because either they do not have any term of expiry or their renewal would be probable and would not involve significant costs, taking into account the history of renewal and the relationships between the franchisee and the contracting parties. The carrying amounts of these franchise rights comprise mainly Astra's automotive of US\$47 million (2023: US\$49 million) and heavy equipment of US\$84 million (2023: US\$88 million), are not amortised as such rights will contribute cash flows for an indefinite period. Management has performed an impairment review of the carrying amounts of these franchise rights at 31 December 2024 and has concluded that no impairment has occurred. The impairment review was made by comparing the carrying amounts of the CGU in which the franchise rights reside with the recoverable amounts of the CGU. The recoverable amounts of the CGU are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using growth rates between 3% and 4% (2023: 3% and 4%). Pre-tax discount rates between 19% and 22% (2023: 20% and 23%) reflecting specific risks relating to the relevant industries, are applied to the cash flow projections.

Other intangible assets comprise trademarks and computer software.

The amortisation charges are all recognised in arriving at operating profit and are included in cost of sales, selling and distribution costs and administration expenses.

The remaining amortisation periods for intangible assets are as follows:

|                            |                                       |
|----------------------------|---------------------------------------|
| Concession rights          | by traffic volume over 31 to 35 years |
| Computer software          | up to 8 years                         |
| Deferred exploration costs | by unit of production                 |
| Other                      | various                               |

## 11 Tangible assets

|  | Freehold properties<br>US\$m | Buildings on leasehold land<br>US\$m | Leasehold improvements<br>US\$m | Mining properties<br>US\$m | Plant & machinery<br>US\$m | Furniture, equipment & motor vehicles<br>US\$m | Total<br>US\$m |
|--|------------------------------|--------------------------------------|---------------------------------|----------------------------|----------------------------|--|----------------|
| <b>2024</b>  |                              |                                      |                                 |                            |                            |  |                |
| Cost   | 541                          | 2,378                                | 1,472                           | 2,223                      | 6,807                      | 2,297  | <b>15,718</b>  |
| Depreciation and impairment                                  | (85)                         | (1,093)                              | (1,035)                         | (1,065)                    | (4,405)                    | (1,450)  | <b>(9,133)</b> |
| Net book value at 1 January                                  | 456                          | 1,285                                | 437                             | 1,158                      | 2,402                      | 847  | <b>6,585</b>   |
| Exchange differences   | (6)                          | (48)                                 | (11)                            | (20)                       | (93)                       | (35)   | <b>(213)</b>   |
| New subsidiaries   | –                            | 7                                    | –                               | –                          | 2                          | 6  | <b>15</b>      |
| Purchase price adjustment<br>(refer note 33(c))              | –                            | 3                                    | –                               | (82)                       | –                          | –  | <b>(79)</b>    |
| Additions  | 8                            | 122                                  | 119                             | –                          | 735                        | 312  | <b>1,296</b>   |
| Disposals  | (13)                         | (37)                                 | (5)                             | –                          | (37)                       | (15)   | <b>(107)</b>   |
| Transfer from right-of-use assets                            | –                            | –                                    | –                               | –                          | 1                          | –  | <b>1</b>       |
| Transfer from/(to) investment properties (refer note 13)     | –                            | 139                                  | (1)                             | –                          | –                          | –  | <b>138</b>     |
| Transfer from/(to) stock and work in progress                | –                            | –                                    | –                               | –                          | 34                         | (20)   | <b>14</b>      |
| Classified as held for sale                                  | –                            | (2)                                  | –                               | –                          | –                          | –  | <b>(2)</b>     |
| Depreciation charge  | (7)                          | (90)                                 | (106)                           | (84)                       | (544)                      | (231)  | <b>(1,062)</b> |
| Impairment charge  | –                            | –                                    | (2)                             | –                          | (9)                        | (1)  | <b>(12)</b>    |
| Net book value at 31 December                                | <b>438</b>                   | <b>1,379</b>                         | <b>431</b>                      | <b>972</b>                 | <b>2,491</b>               | <b>863</b>                                     | <b>6,574</b>   |
| Cost   | 524                          | 2,688                                | 1,494                           | 2,094                      | 6,955                      | 2,368  | <b>16,123</b>  |
| Depreciation and impairment                                  | (86)                         | (1,309)                              | (1,063)                         | (1,122)                    | (4,464)                    | (1,505)  | <b>(9,549)</b> |
|  | <b>438</b>                   | <b>1,379</b>                         | <b>431</b>                      | <b>972</b>                 | <b>2,491</b>               | <b>863</b>                                     | <b>6,574</b>   |
| <b>2023</b>  |                              |                                      |                                 |                            |                            |  |                |
| Cost   | 975                          | 2,344                                | 1,558                           | 1,746                      | 5,738                      | 2,124  | 14,485         |
| Depreciation and impairment                                  | (117)                        | (1,053)                              | (1,049)                         | (989)                      | (4,084)                    | (1,340)  | (8,632)        |
| Net book value at 1 January                                  | 858                          | 1,291                                | 509                             | 757                        | 1,654                      | 784  | 5,853          |
| Exchange differences   | 29                           | 83                                   | (49)                            | (4)                        | 19                         | 2  | 80             |
| New subsidiaries   | –                            | –                                    | –                               | 471                        | 2                          | –  | 473            |
| Additions  | 1                            | 82                                   | 121                             | –                          | 1,258                      | 337  | 1,799          |
| Disposals  | (114)                        | (35)                                 | (23)                            | –                          | (40)                       | (21)   | (233)          |
| Revaluation surplus before transfer to investment properties | –                            | 1                                    | –                               | –                          | –                          | –  | 1              |
| Transfer to investment properties                            | –                            | (9)                                  | –                               | –                          | –                          | –  | (9)            |
| Transfer from/(to) stock and work in progress                | –                            | –                                    | –                               | –                          | 16                         | (22)   | (6)            |
| Reclassified from assets held for sale                       | –                            | 17                                   | –                               | –                          | –                          | –  | 17             |
| Classified as held for sale                                  | (307)                        | (51)                                 | (7)                             | –                          | (16)                       | (3)  | (384)          |
| Depreciation charge  | (10)                         | (92)                                 | (110)                           | (66)                       | (490)                      | (229)  | (997)          |
| Impairment charge  | (1)                          | (2)                                  | (4)                             | –                          | (1)                        | (1)  | (9)            |
| Net book value at 31 December                                | 456                          | 1,285                                | 437                             | 1,158                      | 2,402                      | 847  | 6,585          |
| Cost   | 541                          | 2,378                                | 1,472                           | 2,223                      | 6,807                      | 2,297  | 15,718         |
| Depreciation and impairment                                  | (85)                         | (1,093)                              | (1,035)                         | (1,065)                    | (4,405)                    | (1,450)  | (9,133)        |
|  | 456                          | 1,285                                | 437                             | 1,158                      | 2,402                      | 847  | 6,585          |

## 11 Tangible assets (continued)

Rental income from properties and other tangible assets amounted to US\$393 million (2023: US\$344 million) with contingent rents of US\$4 million (2023: US\$3 million).

The maturity analysis of the undiscounted lease payments to be received after the balance sheet date are as follows:

|                            | 2024       | 2023       |
|----------------------------|------------|------------|
|                            | US\$m      | US\$m      |
| Within one year            | 62         | 112        |
| Between one and two years  | 28         | 60         |
| Between two and five years | 22         | 70         |
| Beyond five years          | –          | 25         |
|                            | <b>112</b> | <b>267</b> |

At 31 December 2024, the carrying amount of tangible assets pledged as security for borrowings amounted to US\$26 million (2023: US\$367 million) (refer note 29).

## 12 Right-of-use assets

|   | Leasehold<br>land | Properties   | Plant &<br>machinery | Motor<br>vehicles | Total          |
|---|-------------------|--------------|----------------------|-------------------|----------------|
|   | US\$m             | US\$m        | US\$m                | US\$m             | US\$m          |
| <b>2024</b>   |                   |              |                      |                   |                |
| Cost  | 1,369             | 7,187        | 145                  | 86                | <b>8,787</b>   |
| Amortisation/depreciation and impairment                        | (503)             | (4,088)      | (70)                 | (46)              | <b>(4,707)</b> |
| Net book value at 1 January                                     | 866               | 3,099        | 75                   | 40                | <b>4,080</b>   |
| Exchange differences  | (31)              | (56)         | (3)                  | (2)               | <b>(92)</b>    |
| New subsidiaries  | 17                | 1            | –                    | –                 | <b>18</b>      |
| Purchase price adjustment (refer note 33(c))                    | (7)               | –            | –                    | –                 | <b>(7)</b>     |
| Additions   | 21                | 341          | 41                   | 26                | <b>429</b>     |
| Disposals   | (5)               | (35)         | –                    | –                 | <b>(40)</b>    |
| Revaluation surplus before transfer to investment<br>properties | 97                | –            | –                    | –                 | <b>97</b>      |
| Transfer to tangible assets                                     | –                 | –            | (1)                  | –                 | <b>(1)</b>     |
| Transfer from investment properties (refer note 13)             | 68                | –            | –                    | –                 | <b>68</b>      |
| Classified as held for sale                                     | (4)               | –            | –                    | –                 | <b>(4)</b>     |
| Modifications to lease terms                                    | –                 | 409          | –                    | –                 | <b>409</b>     |
| Amortisation/depreciation charge                                | (55)              | (801)        | (44)                 | (28)              | <b>(928)</b>   |
| Impairment charge   | –                 | (5)          | –                    | –                 | <b>(5)</b>     |
| Net book value at 31 December                                   | <b>967</b>        | <b>2,953</b> | <b>68</b>            | <b>36</b>         | <b>4,024</b>   |
| Cost  | 1,509             | 7,226        | 122                  | 87                | <b>8,944</b>   |
| Amortisation/depreciation and impairment                        | (542)             | (4,273)      | (54)                 | (51)              | <b>(4,920)</b> |
|   | <b>967</b>        | <b>2,953</b> | <b>68</b>            | <b>36</b>         | <b>4,024</b>   |

**12 Right-of-use assets** (continued)

|   | Leasehold<br>land<br>US\$m | Properties<br>US\$m | Plant &<br>machinery<br>US\$m | Motor<br>vehicles<br>US\$m | Total<br>US\$m |
|---|----------------------------|---------------------|-------------------------------|----------------------------|----------------|
| <b>2023</b>   |                            |                     |                               |                            |                |
| Cost  | 1,378                      | 6,933               | 274                           | 200                        | 8,785          |
| Amortisation/depreciation and impairment                        | (465)                      | (3,779)             | (198)                         | (159)                      | (4,601)        |
| Net book value at 1 January                                     | 913                        | 3,154               | 76                            | 41                         | 4,184          |
| Exchange differences  | 12                         | (1)                 | 2                             | –                          | 13             |
| New subsidiaries  | 12                         | –                   | –                             | –                          | 12             |
| Additions   | 37                         | 279                 | 46                            | 28                         | 390            |
| Disposals   | (26)                       | (145)               | –                             | –                          | (171)          |
| Revaluation surplus before transfer to investment<br>properties | 63                         | –                   | –                             | –                          | 63             |
| Transfer to investment properties                               | (74)                       | –                   | –                             | –                          | (74)           |
| Transfer to stock and work in progress                          | –                          | –                   | (1)                           | –                          | (1)            |
| Reclassified from assets held for sale                          | 29                         | –                   | –                             | –                          | 29             |
| Classified as held for sale                                     | (34)                       | (18)                | –                             | –                          | (52)           |
| Modifications to lease terms                                    | (12)                       | 624                 | (1)                           | (1)                        | 610            |
| Amortisation/depreciation charge                                | (54)                       | (784)               | (47)                          | (28)                       | (913)          |
| Impairment charge   | –                          | (10)                | –                             | –                          | (10)           |
| Net book value at 31 December                                   | 866                        | 3,099               | 75                            | 40                         | 4,080          |
| Cost  | 1,369                      | 7,187               | 145                           | 86                         | 8,787          |
| Amortisation/depreciation and impairment                        | (503)                      | (4,088)             | (70)                          | (46)                       | (4,707)        |
|   | 866                        | 3,099               | 75                            | 40                         | 4,080          |

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

|                   |               |
|-------------------|---------------|
| Leasehold land    | 5 to 99 years |
| Properties        | 1 to 20 years |
| Plant & machinery | 1 to 5 years  |
| Motor vehicles    | 1 to 6 years  |

Leasehold land included a hotel property in Hong Kong with carrying value of US\$122 million (2023: US\$122 million) which is amortised over 895 years.

At 31 December 2024, none of the Group's right-of-use assets had been pledged as security for borrowings. Leasehold land of US\$122 million was pledged as security for borrowings at 31 December 2023 (refer note 29).

### 13 Investment properties

|   | Commercial properties |                      | Residential properties |                      | Total<br>US\$m |
|---|-----------------------|----------------------|------------------------|----------------------|----------------|
|   | Completed             | Under<br>development | Completed              | Under<br>development |                |
|   | US\$m                 | US\$m                | US\$m                  | US\$m                |                |
| <b>2024</b>   |                       |                      |                        |                      |                |
| At 1 January  | 27,018                | 2,150                | 676                    | 322                  | <b>30,166</b>  |
| Exchange differences                                | 87                    | 13                   | 7                      | 2                    | <b>109</b>     |
| Additions   | 78                    | 184                  | –                      | –                    | <b>262</b>     |
| Disposals   | (6)                   | (1)                  | (13)                   | –                    | <b>(20)</b>    |
| Transfer from/(to) tangible assets <sup>#</sup>     | (140)                 | 1                    | 1                      | –                    | <b>(138)</b>   |
| Transfer from/(to) right-of-use assets <sup>#</sup> | (85)                  | (71)                 | 88                     | –                    | <b>(68)</b>    |
| Classified as held for sale                         | (19)                  | –                    | –                      | –                    | <b>(19)</b>    |
| Change in fair value <sup>#</sup>                   | (1,991)               | (211)                | (9)                    | (2)                  | <b>(2,213)</b> |
| At 31 December                                      | <b>24,942</b>         | <b>2,065</b>         | <b>750</b>             | <b>322</b>           | <b>28,079</b>  |
| Freehold properties                                 |                       |                      |                        |                      | <b>122</b>     |
| Leasehold properties                                |                       |                      |                        |                      | <b>27,957</b>  |
|   |                       |                      |                        |                      | <b>28,079</b>  |
| <b>2023</b>   |                       |                      |                        |                      |                |
| At 1 January  | 28,291                | 2,560                | 661                    | 301                  | 31,813         |
| Exchange differences                                | (59)                  | (5)                  | (2)                    | (1)                  | (67)           |
| Additions   | 59                    | 80                   | –                      | –                    | 139            |
| Disposals   | (23)                  | –                    | –                      | –                    | (23)           |
| Transfer from tangible assets                       | 7                     | 2                    | –                      | –                    | 9              |
| Transfer from right-of-use assets                   | 74                    | –                    | –                      | –                    | 74             |
| Change in fair value                                | (1,331)               | (487)                | 17                     | 22                   | (1,779)        |
| At 31 December                                      | 27,018                | 2,150                | 676                    | 322                  | 30,166         |
| Freehold properties                                 |                       |                      |                        |                      | 149            |
| Leasehold properties                                |                       |                      |                        |                      | 30,017         |
|   |                       |                      |                        |                      | 30,166         |

<sup>#</sup> Movements in completed commercial properties in 2024 included the Group's reclassification of properties in Hong Kong, which are used for its own purposes (including as offices, hotel and retail outlets), to tangibles assets of US\$142 million (cost of US\$343 million and accumulated depreciation of US\$201 million) and right-of-use assets of US\$94 million (cost of US\$102 million and accumulated depreciation of US\$8 million). Decrease in fair value for 2024 included US\$474 million reversal of cumulative historical fair value gains on these reclassified properties.

The Group measures its investment properties at fair value. The fair values of the Group's investment properties at 31 December 2024 and 2023 have been determined on the basis of valuations carried out by independent valuers hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. The completed commercial properties were principally held by Hongkong Land. The under development commercial properties were principally held by Mandarin Oriental.

Hongkong Land and Mandarin Oriental engaged Jones Lang LaSalle to value their commercial investment properties in Hong Kong, Chinese mainland, Singapore and Cambodia which are either freehold or held under leases with unexpired lease terms of more than 25 years. The valuations, which conform to the International Valuation Standards issued by the International Valuation Standards Council and the HKIS Valuation Standards issued by the Hong Kong Institute of Surveyors, were arrived at by reference to the net income, allowing for reversionary potential, of each completed commercial property and residual method for under development commercial properties. The valuations are comprehensively reviewed by Hongkong Land and Mandarin Oriental.

### 13 Investment properties (continued)

#### **Fair value measurements of residential properties using no significant unobservable inputs (Level 2)**

Fair values of completed residential properties are generally derived using the direct comparison method. This valuation method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

#### **Fair value measurements of commercial properties using significant unobservable inputs (Level 3)**

Fair values of completed commercial properties in Hong Kong, Chinese mainland and Singapore are generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers' views of recent lettings, within the subject properties and other comparable properties.

Fair values of completed commercial properties in Cambodia are generally derived using the discounted cash flow method. The net present value of the income stream is estimated by applying an appropriate discount rate which reflects the risk profile.

Fair values of under development commercial properties in Hongkong Land and Mandarin Oriental are generally derived using the residual method. This valuation method is essentially a means of valuing the land by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completion as at the date of valuation.

The table below analyses the Group's investment properties carried at fair value, by the levels in the fair value measurement hierarchy:

|                                      | Commercial properties |                               | Residential properties |                               | Total<br>US\$m |
|--------------------------------------|-----------------------|-------------------------------|------------------------|-------------------------------|----------------|
|                                      | Completed<br>US\$m    | Under<br>development<br>US\$m | Completed<br>US\$m     | Under<br>development<br>US\$m |                |
| <b>2024</b>                          |                       |                               |                        |                               |                |
| Fair value measurements using        |                       |                               |                        |                               |                |
| – no significant unobservable inputs | 202                   | 14                            | 750                    | –                             | <b>966</b>     |
| – significant unobservable inputs    | 24,740                | 2,051                         | –                      | 322                           | <b>27,113</b>  |
|                                      | <b>24,942</b>         | <b>2,065</b>                  | <b>750</b>             | <b>322</b>                    | <b>28,079</b>  |
| <b>2023</b>                          |                       |                               |                        |                               |                |
| Fair value measurements using        |                       |                               |                        |                               |                |
| – no significant unobservable inputs | 207                   | 2                             | 676                    | –                             | 885            |
| – significant unobservable inputs    | 26,811                | 2,148                         | –                      | 322                           | 29,281         |
|                                      | <b>27,018</b>         | <b>2,150</b>                  | <b>676</b>             | <b>322</b>                    | <b>30,166</b>  |

### 13 Investment properties (continued)

Movement of investment properties which are valued based on unobservable inputs during the years ended 31 December 2024 and 2023 are as follows:

|                                   | Commercial properties |                               | Residential properties        |                               | Total<br>US\$m |
|-----------------------------------|-----------------------|-------------------------------|-------------------------------|-------------------------------|----------------|
|                                   | Completed<br>US\$m    | Under<br>development<br>US\$m | Under<br>development<br>US\$m | Under<br>development<br>US\$m |                |
| <b>2024</b>                       |                       |                               |                               |                               |                |
| At 1 January                      | 26,811                | 2,148                         | 322                           |                               | <b>29,281</b>  |
| Exchange differences              | 92                    | 14                            | 2                             |                               | <b>108</b>     |
| Additions                         | 78                    | 182                           | –                             |                               | <b>260</b>     |
| Disposals                         | (6)                   | –                             | –                             |                               | <b>(6)</b>     |
| Transfer to tangible assets       | (141)                 | –                             | –                             |                               | <b>(141)</b>   |
| Transfer to right-of-use assets   | (88)                  | (82)                          | –                             |                               | <b>(170)</b>   |
| Classified as held for sale       | (19)                  | –                             | –                             |                               | <b>(19)</b>    |
| Change in fair value              | (1,987)               | (211)                         | (2)                           |                               | <b>(2,200)</b> |
| At 31 December                    | <b>24,740</b>         | <b>2,051</b>                  | <b>322</b>                    |                               | <b>27,113</b>  |
| <b>2023</b>                       |                       |                               |                               |                               |                |
| At 1 January                      | 28,095                | 2,560                         | 301                           |                               | 30,956         |
| Exchange differences              | (62)                  | (5)                           | (1)                           |                               | (68)           |
| Additions                         | 50                    | 80                            | –                             |                               | 130            |
| Disposals                         | (23)                  | –                             | –                             |                               | (23)           |
| Transfer from tangible assets     | 9                     | –                             | –                             |                               | 9              |
| Transfer from right-of-use assets | 74                    | –                             | –                             |                               | 74             |
| Change in fair value              | (1,332)               | (487)                         | 22                            |                               | (1,797)        |
| At 31 December                    | 26,811                | 2,148                         | 322                           |                               | 29,281         |

The Group's policy is to recognise transfers between fair value measurement categories as of the date of the event or change in circumstances that caused the transfer.

**13 Investment properties** (continued)

Information about fair value measurements of Hongkong Land's and Mandarin Oriental's commercial properties using significant unobservable inputs at 31 December 2024 and 2023:

|                                    | Fair value<br>US\$m | Valuation method      | Range of significant unobservable inputs    |                                       |
|------------------------------------|---------------------|-----------------------|---|---------------------------------------|
|                                    |                     |                       | Prevailing market<br>rent per month<br>US\$ | Capitalisation/<br>discount rate<br>% |
| <b>2024</b>                        |                     |                       |   |                                       |
| <b>Hongkong Land</b>               |                     |                       |   |                                       |
| <b>Completed properties:</b>       |                     |                       |   |                                       |
| Hong Kong – office                 | 18,593              | Income capitalisation | 12.8 per square foot                        | 2.90 to 3.50                          |
| – retail                           | 4,110               | Income capitalisation | 28.8 per square foot                        | 4.25 to 5.00                          |
|                                    | 22,703              |                       |   |                                       |
| Chinese mainland                   | 996                 | Income capitalisation | 105.1 per square metre                      | 3.50                                  |
| Singapore                          | 581                 | Income capitalisation | 7.5 per square foot                         | 3.35 to 4.80                          |
| Cambodia                           | 66                  | Discounted cash flow  | 21.0 to 30.0 per square metre               | 12.50 to 13.50                        |
| Total                              | 24,346              |                       |   |                                       |
| <b>Mandarin Oriental</b>           |                     |                       |   |                                       |
| <b>Under development property:</b> |                     |                       |   |                                       |
| Hong Kong                          | 2,003               | Residual              | 7.2 to 9.8 per square foot                  | 2.55 to 3.95                          |
| <b>2023</b>                        |                     |                       |   |                                       |
| <b>Hongkong Land</b>               |                     |                       |   |                                       |
| <b>Completed properties:</b>       |                     |                       |   |                                       |
| Hong Kong – office                 | 20,910              | Income capitalisation | 14.0 per square foot                        | 2.90 to 3.50                          |
| – retail                           | 3,847               | Income capitalisation | 22.3 per square foot                        | 4.50 to 5.00                          |
|                                    | 24,757              |                       |   |                                       |
| Chinese mainland                   | 952                 | Income capitalisation | 104.4 per square metre                      | 3.75                                  |
| Singapore                          | 597                 | Income capitalisation | 7.7 per square foot                         | 3.35 to 4.80                          |
| Cambodia                           | 82                  | Discounted cash flow  | 21.0 to 30.0 per square metre               | 12.50 to 13.50                        |
| Total                              | 26,388              |                       |   |                                       |
| <b>Mandarin Oriental</b>           |                     |                       |   |                                       |
| <b>Under development property:</b> |                     |                       |   |                                       |
| Hong Kong                          | 1,972               | Residual              | 8.2 to 10.4 per square foot                 | 2.55 to 3.95                          |

Prevailing market rents are estimated based on independent valuers' view of recent lettings, within the subject properties and other comparable properties. Capitalisation and discount rates are estimated by independent valuers based on the risk profile of the properties being valued.

### 13 Investment properties (continued)

An increase/decrease to prevailing market rent will increase/decrease valuations, while an increase/decrease to capitalisation/discount rate will decrease/increase valuations. Sensitivity analyses have been performed to assess the impact on the valuations of changes in the two significant unobservable inputs for prevailing market rents and capitalisation rates on Hongkong Land's completed commercial properties and Mandarin Oriental's under development commercial property in Hong Kong, which contributed 88% (2023: 89%) of the total investment properties at 31 December 2024. The impact of any reasonably possible change in the assumptions for other investment properties would not be material. The Group believes this captures the range of variations in these key valuation assumptions. The results are shown in the table below:

|                                  | Change in assumption<br>% | Increase/(decrease) in valuations     |                                 |   |                                 |
|----------------------------------|---------------------------|---------------------------------------|---------------------------------|---|---------------------------------|
|                                  |                           | Hongkong Land<br>Completed properties |                                 | Mandarin Oriental<br>Under development property |                                 |
|                                  |                           | Increase in assumption<br>US\$m       | Decrease in assumption<br>US\$m | Increase in assumption<br>US\$m                 | Decrease in assumption<br>US\$m |
| <b>2024</b>                      |                           |                                       |                                 |   |                                 |
| Prevailing market rent per month | <b>5.00</b>               | <b>1,035</b>                          | <b>(1,062)</b>                  | <b>104</b>                                      | <b>(104)</b>                    |
| Capitalisation rate              | <b>0.10</b>               | <b>(661)</b>                          | <b>703</b>                      | <b>(76)</b>                                     | <b>82</b>                       |
| <b>2023</b>                      |                           |                                       |                                 |   |                                 |
| Prevailing market rent per month | 5.00                      | 1,159                                 | (1,150)                         | 110   | (115)                           |
| Capitalisation rate              | 0.10                      | (710)                                 | 755                             | (83)  | 83                              |

The maturity analysis of lease payments, showing the undiscounted lease payments to be received over the remainder of the contractual lease term after the balance sheet date, including the estimated impact on lease payments from contractual rent reviews, are as follows:

|                              | <b>2024</b><br>US\$m | 2023<br>US\$m |
|------------------------------|----------------------|---------------|
| Within one year              | <b>732</b>           | 769           |
| Between one and two years    | <b>582</b>           | 585           |
| Between two and three years  | <b>437</b>           | 440           |
| Between three and four years | <b>265</b>           | 316           |
| Between four and five years  | <b>190</b>           | 177           |
| Beyond five years            | <b>313</b>           | 318           |
|                              | <b>2,519</b>         | 2,605         |

Generally the Group's operating leases in respect of investment properties are for terms of three or more years.

At 31 December 2024, the carrying amount of investment properties pledged as security for borrowings amounted to US\$996 million (2023: US\$952 million) (refer note 29).

## 14 Bearer plants

|                               | 2024<br>US\$m | 2023<br>US\$m |
|-------------------------------|---------------|---------------|
| Cost                          | 749           | 702           |
| Depreciation                  | <u>(268)</u>  | <u>(237)</u>  |
| Net book value at 1 January   | 481           | 465           |
| Exchange differences          | (22)          | 9             |
| Additions                     | 35            | 37            |
| Depreciation charge           | (32)          | (30)          |
| Net book value at 31 December | 462           | 481           |
| Immature bearer plants        | 89            | 97            |
| Mature bearer plants          | 373           | 384           |
|                               | <u>462</u>    | <u>481</u>    |
| Cost                          | 746           | 749           |
| Depreciation                  | <u>(284)</u>  | <u>(268)</u>  |
|                               | 462           | 481           |

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

At 31 December 2024 and 2023, the Group's bearer plants had not been pledged as security for borrowings.

## 15 Associates and joint ventures

|   | 2024<br>US\$m | 2023<br>US\$m |
|---|---------------|---------------|
| Associates  |               |               |
| Listed associates   |               |               |
| – Zhongsheng  | 1,342         | 1,301         |
| – Nickel Industries   | 575           | 609           |
| – Robinsons Retail  | 248           | 308           |
| – Siam City Cement  | –             | 309           |
| – Yonghui   | –             | 315           |
| – other   | 339           | 275           |
|   | <u>2,504</u>  | <u>3,117</u>  |
| Unlisted associates   | 2,234         | 2,266         |
| Share of attributable net assets                            | 4,738         | 5,383         |
| Goodwill on acquisition                                     | 333           | 1,199         |
|   | <u>5,071</u>  | <u>6,582</u>  |
| Amounts due from associates                                 | 435           | 466           |
|   | <u>5,506</u>  | <u>7,048</u>  |
| Joint ventures  |               |               |
| Share of attributable net assets of unlisted joint ventures | 10,663        | 10,707        |
| Goodwill on acquisition                                     | 95            | 96            |
|   | <u>10,758</u> | <u>10,803</u> |
| Amounts due from joint ventures                             | 1,574         | 1,923         |
|   | <u>12,332</u> | <u>12,726</u> |
|   | <u>17,838</u> | <u>19,774</u> |

## 15 Associates and joint ventures (continued)

Fair value of the Group's listed associates at 31 December 2024, which were based on the quoted prices in active markets, amounted to US\$2,288 million (2023: US\$3,468 million).

Siam City Cement was disposed of in August 2024 (refer note 33(i)).

In September 2024, DFI Retail signed a share transfer agreement with a third party to sell its entire interest in Yonghui. The interest in Yonghui, with a carrying value of US\$759 million, was reclassified to assets held for sale (refer note 23) and the equity basis of accounting was discontinued.

To align with market practice, amounts due to associates and joint ventures totalling US\$1,301 million, which were previously reported net against associates and joint ventures at 31 December 2023 based on how these balances were intended to be settled, are now reclassified and presented within creditors (refer note 31). The previously reported balances of current and non-current creditors at 31 December 2023 increased by US\$449 million and US\$852 million, respectively. The related cash flows in 2023 of US\$56 million and US\$165 million, which were previously included in investing activities as advances to associates and joint ventures and repayments from associates and joint ventures, respectively, are now reclassified and presented under financing activities. The adjustments to the balances at 1 January 2023 were to reclassify US\$1,289 million from associates and joint ventures to current creditors of US\$502 million and non-current creditors of US\$787 million.

Amounts due from associates are interest free, unsecured and have no fixed terms of repayment.

Amounts due from joint ventures bear interests at fixed rates up to 7% per annum and are repayable within one to six years.

|   | Associates |       | Joint ventures |         |
|---|------------|-------|----------------|---------|
|   | 2024       | 2023  | 2024           | 2023    |
|   | US\$m      | US\$m | US\$m          | US\$m   |
| <b>Movements of associates and joint ventures during the year:</b>                                    |            |       |                |         |
| At 1 January  | 7,048      | 6,163 | 12,726         | 12,982  |
| Share of results after tax and non-controlling interests  | 390        | 528   | 909            | 858     |
| Share of net exchange translation (loss)/gain arising during the year after non-controlling interests | (125)      | (105) | (360)          | 23      |
| Share of other comprehensive income/(expense) after tax and non-controlling interests                 | 11         | (5)   | (17)           | 6       |
| Dividends received  | (283)      | (235) | (696)          | (648)   |
| Acquisitions, other increases in attributable interests and advances                                  | 148        | 801   | 383            | 768     |
| Other disposals, decreases in attributable interests and repayment of advances                        | (415)      | (102) | (573)          | (1,259) |
| Classified as held for sale   | (759)      | –     | (39)           | –       |
| Impairment  | (508)      | –     | –              | –       |
| Other   | (1)        | 3     | (1)            | (4)     |
| At 31 December  | 5,506      | 7,048 | 12,332         | 12,726  |

## 15 Associates and joint ventures (continued)

An impairment review was performed by management on the carrying values of investment in associates and joint ventures at 31 December 2024. Following the review, the fair values of DFI Retail's investment in Robinsons Retail and Corporate's investment in Zhongsheng were below their carrying values. Management conducted impairment reviews by using value-in-use calculations and concluded impairment of US\$231 million (Group's attributable share of US\$179 million) and US\$277 million were required on Robinsons Retail and Zhongsheng, respectively. The impairment on Robinsons Retail was in addition to the US\$171 million (Group's attributable share of US\$133 million) made in 2022.

To calculate the value-in-use for Robinsons Retail in 2024, management has estimated the discounted future cash inflows derived from holding the investment and from its ultimate disposal. For the disposal cash inflow, management has used Robinsons Retail's 12-month average share price and referred to industry benchmarks for retail mergers and acquisitions, specifically to determine the average premium applied to the prevailing share price for these transactions. A discount rate of 11% was applied in calculating the discounted future cash inflows. A 10% decrease in the disposal cash inflow would result in a further impairment of US\$24 million.

The other impairment reviews were performed by comparing the carrying amounts of the associates with the recoverable amounts. The recoverable amounts were determined based on value-in-use calculations using cash flow projections approved by management covering projection periods considered appropriate. Cash flows beyond the projection periods were extrapolated using the estimates. The growth rates did not exceed the long-term average industry growth rates in the countries of operation, and the pre-tax discount rates reflected business specific risks relating to the relevant industries and the risk related to the countries of operation.

To calculate the value-in-use for Zhongsheng, management has prepared detailed estimates for the next five years. The key assumptions used in 2024 included probability weighted average revenue growth rate of 4.6%. Cash flows beyond the five-year period are extrapolated using a probability weighted long-term growth rate of 2.1% and a pre-tax discount rate of 15.4%. The model is sensitive to changes in key assumptions. A 0.5% decrease in average revenue growth and a 1% increase in pre-tax discount rate would result in further impairment of US\$43 million and US\$115 million, respectively.

At 31 December 2023, the fair values of DFI Retail's investment in Yonghui and Robinsons Retail, and Jardine Cycle & Carriage's investment in Siam City Cement were below their respective carrying values. Management had performed impairment reviews on their carrying values and concluded that value-in-use calculations supported no impairment charges were required.

## 15 Associates and joint ventures (continued)

The recoverable amounts based on the value-in-use calculations under the impairment reviews were inherently sensitive to changes in assumptions. Summary of significant assumptions used and sensitivities on recoverable amounts for impairment reviews on major associates, including Yonghui, Robinsons Retail and Siam City Cement in 2023 were as follows:

|  | Robinsons Retail    |   | Yonghui             |   | Siam City Cement <sup>^</sup>           |   |
|--|---------------------|---|---------------------|---|---|---|
|  | DFI Retail<br>US\$m | Group's<br>attributable<br>share<br>US\$m | DFI Retail<br>US\$m | Group's<br>attributable<br>share<br>US\$m | Jardine<br>Cycle &<br>Carriage<br>US\$m | Group's<br>attributable<br>share<br>US\$m |
| <b>2023</b>                                  |                     |   |                     |   |   |   |
| Principal countries of operation             | The<br>Philippines  |   | China               |   | Thailand<br>and<br>Vietnam              |   |
| Goodwill allocated                           | 125                 |   | 477                 |   | 94                                      |   |
| <b>Assumptions used:</b>                     |                     |   |                     |   |   |   |
| Cash flow projection period                  | 5 years             |   | 5 years             |   | 4 years                                 |   |
| Average revenue growth rate                  | 4.0%                |   | 3.6%                |   | N/A                                     |   |
| Average PBIT growth rate                     | 10.7%               |   | 1.6%                |   | N/A                                     |   |
| Pre-tax discount rate                        | 13.7%               |   | 8.4%                |   | 13.4%                                   |   |
| Long-term growth rate                        | 3.0%                |   | 2.0%                |   | 2.6 – 3.5%                              |   |
| <b>Sensitivities on recoverable amounts:</b> |                     |   |                     |   |   |   |
| An impairment charge if:                     |                     |   |                     |   |   |   |
| – average revenue growth 1.0% lower          | (29)                | (22)                                      | (322)               | (250)                                     | N/A                                     | N/A                                       |
| – EBITDA margin 4.0% lower                   | N/A                 | N/A                                       | N/A                 | N/A                                       | (83)                                    | (65)                                      |
| – PBIT margin 0.4% lower                     | N/A                 | N/A                                       | (121)               | (93)                                      | N/A                                     | N/A                                       |
| – pre-tax discount rate 1.0% higher          | –                   | –   | (113)               | (88)                                      | (13)                                    | (10)                                      |
| – long-term growth rate                      |                     |   |                     |   |   |   |
| – 0.5% lower                                 | N/A                 | N/A                                       | (21)                | (17)                                      | –                                       | –   |
| – 1.0% lower                                 | –                   | –   | N/A                 | N/A                                       | N/A                                     | N/A                                       |

<sup>^</sup> Disposed of in 2024.

**15 Associates and joint ventures** (continued)

## (a) Investment in associates

The material associates of the Group are listed below. These associates have share capital consisting solely of ordinary shares, which are held directly by the Group.

Nature of investments in material associates in 2024 and 2023:

| Name of entity  | Nature of business   | Place of incorporation/<br>principal place of business/<br>place of listing | % of ownership<br>interest |      |
|---|--|---|----------------------------|------|
|   |  |   | 2024                       | 2023 |
| Zhongsheng Group Holdings Limited<br>(Zhongsheng)             | Automotive   | Cayman Islands/<br>Chinese mainland/<br>Hong Kong                           | 21                         | 21   |
| Maxim's Caterers Limited (Maxim's)                            | Restaurants  | Hong Kong/Hong Kong/<br>Unlisted  | 50                         | 50   |
| Robinsons Retail Holdings, Inc.<br>(Robinsons Retail)         | Health and beauty, food,<br>department stores,<br>specialty and DIY stores | The Philippines/<br>The Philippines/<br>The Philippines                     | 22                         | 21   |
| Yonghui Superstores Co., Ltd (Yonghui) <sup>†</sup>           | Food   | China/Chinese mainland/<br>Shanghai   | 21                         | 21   |
| Truong Hai Group Corporation (THACO)                          | Automotive, property<br>development and agriculture                        | Vietnam/Vietnam/<br>Unlisted  | 27                         | 27   |
| Siam City Cement Public Company<br>Limited (Siam City Cement) | Cement manufacturing   | Thailand/Thailand/<br>Thailand  | –                          | 26   |

<sup>†</sup> Reclassified as assets held for sale in September 2024.

**15 Associates and joint ventures** (continued)**Summarised financial information for material associates**

Summarised balance sheets at 31 December (unless otherwise indicated):

|                                | Zhongsheng <sup>□</sup> | Maxim's      | Robinsons<br>Retail <sup>§</sup> | Yonghui <sup>†</sup> | THACO        | Siam City<br>Cement <sup>^</sup> |
|--------------------------------|-------------------------|--------------|----------------------------------|----------------------|--------------|----------------------------------|
|                                | US\$m                   | US\$m        | US\$m                            | US\$m                | US\$m        | US\$m                            |
| <b>2024</b>                    |                         |              |                                  |                      |              |                                  |
| Non-current assets             | 6,213                   | 2,612        | 1,781                            | N/A                  | 4,253        | –                                |
| Current assets                 |                         |              |                                  |                      |              |                                  |
| Cash and cash equivalents      | 2,360                   | 195          | 161                              | N/A                  | 65           | –                                |
| Other current assets           | 6,148                   | 263          | 633                              | N/A                  | 3,490        | –                                |
| Total current assets           | 8,508                   | 458          | 794                              | N/A                  | 3,555        | –                                |
| Non-current liabilities        |                         |              |                                  |                      |              |                                  |
| Financial liabilities*         | (2,323)                 | (604)        | (510)                            | N/A                  | (1,287)      | –                                |
| Other non-current liabilities* | (484)                   | (179)        | (112)                            | N/A                  | (210)        | –                                |
| Total non-current liabilities  | (2,807)                 | (783)        | (622)                            | N/A                  | (1,497)      | –                                |
| Current liabilities            |                         |              |                                  |                      |              |                                  |
| Financial liabilities*         | (2,362)                 | (889)        | (275)                            | N/A                  | (2,625)      | –                                |
| Other current liabilities*     | (3,269)                 | (108)        | (429)                            | N/A                  | (1,357)      | –                                |
| Total current liabilities      | (5,631)                 | (997)        | (704)                            | N/A                  | (3,982)      | –                                |
| Non-controlling interests      | (23)                    | (141)        | (86)                             | N/A                  | (322)        | –                                |
| <b>Net assets</b>              | <b>6,260</b>            | <b>1,149</b> | <b>1,163</b>                     | <b>N/A</b>           | <b>2,007</b> | <b>–</b>                         |
| <b>2023</b>                    |                         |              |                                  |                      |              |                                  |
| Non-current assets             | 6,214                   | 2,663        | 2,024                            | 5,321                | 3,765        | 1,841                            |
| Current assets                 |                         |              |                                  |                      |              |                                  |
| Cash and cash equivalents      | 2,257                   | 201          | 164                              | 931                  | 66           | 176                              |
| Other current assets           | 5,190                   | 291          | 591                              | 1,725                | 3,264        | 268                              |
| Total current assets           | 7,447                   | 492          | 755                              | 2,656                | 3,330        | 444                              |
| Non-current liabilities        |                         |              |                                  |                      |              |                                  |
| Financial liabilities*         | (2,181)                 | (933)        | (632)                            | (2,980)              | (1,313)      | (424)                            |
| Other non-current liabilities* | (488)                   | (169)        | (104)                            | (32)                 | (182)        | (151)                            |
| Total non-current liabilities  | (2,669)                 | (1,102)      | (736)                            | (3,012)              | (1,495)      | (575)                            |
| Current liabilities            |                         |              |                                  |                      |              |                                  |
| Financial liabilities*         | (2,524)                 | (708)        | (179)                            | (999)                | (1,728)      | (224)                            |
| Other current liabilities*     | (2,401)                 | (107)        | (382)                            | (2,628)              | (1,639)      | (249)                            |
| Total current liabilities      | (4,925)                 | (815)        | (561)                            | (3,627)              | (3,367)      | (473)                            |
| Non-controlling interests      | (43)                    | (131)        | (82)                             | (7)                  | (297)        | (26)                             |
| <b>Net assets</b>              | <b>6,024</b>            | <b>1,107</b> | <b>1,400</b>                     | <b>1,331</b>         | <b>1,936</b> | <b>1,211</b>                     |

\* Financial liabilities exclude trade and other payables and provisions, which are presented under other current and non-current liabilities.

<sup>□</sup> Based on the unaudited summarised balance sheets at 30 June 2024 and 2023.<sup>§</sup> Based on the unaudited summarised balance sheets at 30 September 2024 and 2023.<sup>†</sup> Reclassified as assets held for sale in September 2024. 2023 information was based on the unaudited summarised balance sheet at 30 September 2023.<sup>^</sup> Disposed of in 2024.

**15 Associates and joint ventures** (continued)

Summarised financial information on comprehensive income for the year ended 31 December (unless otherwise indicated):

|  | Zhongsheng <sup>□</sup> | Maxim's    | Robinsons<br>Retail <sup>§</sup> | Yonghui <sup>†</sup> | THACO      | Siam City<br>Cement <sup>^</sup> |
|--|-------------------------|------------|----------------------------------|----------------------|------------|----------------------------------|
|  | US\$m                   | US\$m      | US\$m                            | US\$m                | US\$m      | US\$m                            |
| <b>2024</b>  |                         |            |                                  |                      |            |                                  |
| Revenue  | 24,523                  | 3,070      | 3,461                            | N/A                  | 2,916      | –                                |
| Depreciation and amortisation                                | N/A                     | (435)      | (129)                            | N/A                  | (134)      | –                                |
| Interest income  | N/A                     | 4          | 3                                | N/A                  | 102        | –                                |
| Interest expense   | N/A                     | (48)       | (54)                             | N/A                  | (233)      | –                                |
| Profit from underlying business performance                  | N/A                     | 169        | 117                              | N/A                  | 171        | –                                |
| Tax  | N/A                     | (28)       | (25)                             | N/A                  | (19)       | –                                |
| Profit after tax from underlying business performance        | N/A                     | 141        | 92                               | N/A                  | 152        | –                                |
| Profit/(loss) after tax from non-trading items               | N/A                     | (4)        | 237                              | N/A                  | –          | –                                |
| Profit after tax   | 427                     | 137        | 329                              | N/A                  | 152        | –                                |
| Other comprehensive income/(expense)                         | N/A                     | (11)       | 5                                | N/A                  | –          | –                                |
| <b>Total comprehensive income</b>                            | <b>427</b>              | <b>126</b> | <b>334</b>                       | <b>N/A</b>           | <b>152</b> | <b>–</b>                         |
| Dividends received from associates                           | <b>52</b>               | <b>41</b>  | <b>11</b>                        | <b>N/A</b>           | <b>–</b>   | <b>–</b>                         |
| <b>2023</b>  |                         |            |                                  |                      |            |                                  |
| Revenue  | 24,172                  | 3,109      | 3,411                            | 10,719               | 2,836      | 1,206                            |
| Depreciation and amortisation                                | N/A                     | (441)      | (131)                            | (485)                | (150)      | (104)                            |
| Interest income  | N/A                     | 3          | 6                                | 19                   | 89         | 3                                |
| Interest expense   | N/A                     | (46)       | (51)                             | (192)                | (224)      | (37)                             |
| Profit/(loss) from underlying business performance           | N/A                     | 204        | 110                              | (194)                | 155        | 84                               |
| Tax  | N/A                     | (41)       | (28)                             | (1)                  | (10)       | (17)                             |
| Profit/(loss) after tax from underlying business performance | N/A                     | 163        | 82                               | (195)                | 145        | 67                               |
| Profit/(loss) after tax from non-trading items               | N/A                     | (2)        | 98                               | (51)                 | –          | –                                |
| Profit/(loss) after tax                                      | 670                     | 161        | 180                              | (246)                | 145        | 67                               |
| Other comprehensive income/(expense)                         | N/A                     | 4          | (12)                             | –                    | –          | (2)                              |
| <b>Total comprehensive income/(expense)</b>                  | <b>670</b>              | <b>165</b> | <b>168</b>                       | <b>(246)</b>         | <b>145</b> | <b>65</b>                        |
| Dividends received from associates                           | 71                      | 35         | 11                               | –                    | 27         | 20                               |

<sup>□</sup> Information was based on management's estimate, using an average of analyst estimates for the years ended 31 December 2024 and 2023 as financial data for Zhongsheng is not available when the Group produces its consolidated financial results. Where it was not possible to estimate certain summarised financial information, it has been marked as N/A.

<sup>§</sup> Based on the unaudited summarised statements of comprehensive income for the 12 months ended 30 September 2024 and 2023.

<sup>†</sup> Reclassified as assets held for sale in September 2024. 2023 information was based on the unaudited summarised statement of comprehensive income at 30 September 2023.

<sup>^</sup> Disposed of in 2024.

The information contained in the summarised balance sheets and financial information on comprehensive income reflect the amounts presented in the financial statements of the associates adjusted for differences in accounting policies between the Group and the associates, and fair value of the associates at the time of acquisition.

**15 Associates and joint ventures** (continued)**Reconciliation of the summarised financial information**

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in its material associates for the year ended 31 December:

|   | Zhongsheng <sup>□</sup> | Maxim's    | Robinsons<br>Retail <sup>§</sup> | Yonghui <sup>†</sup> | THACO      | Siam City<br>Cement <sup>^</sup> |
|---|-------------------------|------------|----------------------------------|----------------------|------------|----------------------------------|
|   | US\$m                   | US\$m      | US\$m                            | US\$m                | US\$m      | US\$m                            |
| <b>2024</b>                               |                         |            |                                  |                      |            |                                  |
| Net assets                                | 6,260                   | 1,149      | 1,163                            | N/A                  | 2,007      | –                                |
| Interest in associates (%)                | 21                      | 50         | 22                               | N/A                  | 27         | –                                |
| Group's share of net assets in associates | 1,340                   | 574        | 256                              | N/A                  | 534        | –                                |
| Goodwill                                  | –                       | –          | –                                | N/A                  | 151        | –                                |
| Other                                     | 2                       | –          | (8)                              | N/A                  | –          | –                                |
| Carrying value                            | <b>1,342</b>            | <b>574</b> | <b>248</b>                       | <b>N/A</b>           | <b>685</b> | <b>–</b>                         |
| Fair value <sup>#</sup>                   | <b>909</b>              | <b>N/A</b> | <b>196</b>                       | <b>N/A</b>           | <b>N/A</b> | <b>–</b>                         |
| <b>2023</b>                               |                         |            |                                  |                      |            |                                  |
| Net assets                                | 6,024                   | 1,107      | 1,400                            | 1,331                | 1,936      | 1,211                            |
| Interest in associates (%)                | 21                      | 50         | 21                               | 21                   | 27         | 26                               |
| Group's share of net assets in associates | 1,277                   | 554        | 301                              | 285                  | 515        | 309                              |
| Goodwill                                  | 285                     | –          | 125                              | 477                  | 158        | 94                               |
| Other                                     | 24                      | –          | 7                                | 30                   | –          | –                                |
| Carrying value                            | 1,586                   | 554        | 433                              | 792                  | 673        | 403                              |
| Fair value <sup>#</sup>                   | 1,209                   | N/A        | 226                              | 760                  | N/A        | 301                              |

<sup>#</sup> Fair values of the listed associates were based on quoted prices in active markets at 31 December 2024 and 2023.

<sup>□</sup> Based on the unaudited summarised balance sheets at 30 June 2024 and 2023.

<sup>§</sup> Based on the unaudited summarised balance sheets at 30 September 2024 and 2023.

<sup>†</sup> Reclassified as assets held for sale in September 2024. 2023 information was based on the unaudited summarised balance sheet at 30 September 2023.

<sup>^</sup> Disposed of in 2024.

**15 Associates and joint ventures** (continued)

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

|  | 2024<br>US\$m | 2023<br>US\$m |
|--|---------------|---------------|
| Share of profit                                  | 192           | 127           |
| Share of other comprehensive expense             | (8)           | (6)           |
| Share of total comprehensive income              | 184           | 121           |
| Carrying amount of interests in these associates | 2,657         | 2,607         |

**Contingent liabilities relating to the Group's interest in associates**

No financial guarantee in respect of facilities was made available to associates at 31 December 2024 and 2023.

## (b) Investment in joint ventures

The material joint ventures of the Group are listed below. These joint ventures have share capital consisting solely of ordinary shares, which are held directly by the Group.

Nature of investments in material joint ventures in 2024 and 2023:

|   | Nature of business  | Place of incorporation and principal place of business | % of ownership interest |      |
|---|---------------------|--|-------------------------|------|
|   |                     |  | 2024                    | 2023 |
| Hongkong Land                           |                     |  |                         |      |
| – Shanghai Yibin Property Co. Ltd.      | Property investment | Shanghai   | 43                      | 43   |
| – Properties Sub F, Ltd                 | Property investment | Macau  | 49                      | 49   |
| – BFC Development LLP                   | Property investment | Singapore  | 33                      | 33   |
| – Central Boulevard Development Pte Ltd | Property investment | Singapore  | 33                      | 33   |
| – One Raffles Quay Pte Ltd              | Property investment | Singapore  | 33                      | 33   |
| Astra                                   |                     |  |                         |      |
| – PT Astra Honda Motor                  | Automotive          | Indonesia  | 50                      | 50   |

**15 Associates and joint ventures** (continued)**Summarised financial information for material joint ventures**

Summarised balance sheets at 31 December:

|                                | Shanghai<br>Yibin<br>Property<br>Co. Ltd.<br>US\$m | Properties<br>Sub F, Ltd<br>US\$m | BFC<br>Development<br>LLP<br>US\$m | Central<br>Boulevard<br>Development<br>Pte Ltd<br>US\$m | One<br>Raffles<br>Quay<br>Pte Ltd<br>US\$m | PT Astra<br>Honda<br>Motor<br>US\$m |
|--------------------------------|--|-----------------------------------|------------------------------------|---|--|-------------------------------------|
| <b>2024</b>                    |  |                                   |                                    |   |  |                                     |
| Non-current assets             | 3,607  | 1,134                             | 3,977                              | 3,099   | 2,910                                      | 1,260                               |
| Current assets                 |  |                                   |                                    |   |  |                                     |
| Cash and cash equivalents      | 81   | 134                               | 28                                 | 25  | 17   | 983                                 |
| Other current assets           | 1,369  | 44                                | 3                                  | 3   | –  | 473                                 |
| Total current assets           | 1,450  | 178                               | 31                                 | 28  | 17   | 1,456                               |
| Non-current liabilities        |  |                                   |                                    |   |  |                                     |
| Financial liabilities*         | (614)  | –                                 | (1,263)                            | (1,190)   | (784)                                      | (2)                                 |
| Other non-current liabilities* | (43)   | (124)                             | –                                  | (22)  | (212)                                      | (268)                               |
| Total non-current liabilities  | (657)  | (124)                             | (1,263)                            | (1,212)   | (996)                                      | (270)                               |
| Current liabilities            |  |                                   |                                    |   |  |                                     |
| Financial liabilities*         | –  | –                                 | –                                  | (9)   | (2)  | –                                   |
| Other current liabilities*     | (207)  | (44)                              | (80)                               | (46)  | (50)                                       | (1,166)                             |
| Total current liabilities      | (207)  | (44)                              | (80)                               | (55)  | (52)                                       | (1,166)                             |
| <b>Net assets</b>              | <b>4,193</b>                                       | <b>1,144</b>                      | <b>2,665</b>                       | <b>1,860</b>  | <b>1,879</b>                               | <b>1,280</b>                        |
| <b>2023</b>                    |  |                                   |                                    |   |  |                                     |
| Non-current assets             | 3,411  | 1,137                             | 3,883                              | 2,990   | 2,987                                      | 1,301                               |
| Current assets                 |  |                                   |                                    |   |  |                                     |
| Cash and cash equivalents      | 66   | 98                                | 29                                 | 29  | 12   | 932                                 |
| Other current assets           | 1,304  | 44                                | 4                                  | 3   | 2  | 466                                 |
| Total current assets           | 1,370  | 142                               | 33                                 | 32  | 14   | 1,398                               |
| Non-current liabilities        |  |                                   |                                    |   |  |                                     |
| Financial liabilities*         | (325)  | –                                 | (1,302)                            | (1,223)   | (802)                                      | –                                   |
| Other non-current liabilities* | (31)   | (126)                             | –                                  | (21)  | (218)                                      | (264)                               |
| Total non-current liabilities  | (356)  | (126)                             | (1,302)                            | (1,244)   | (1,020)                                    | (264)                               |
| Current liabilities            |  |                                   |                                    |   |  |                                     |
| Financial liabilities*         | –  | –                                 | (1)                                | (8)   | (2)  | –                                   |
| Other current liabilities*     | (148)  | (41)                              | (77)                               | (46)  | (49)                                       | (1,134)                             |
| Total current liabilities      | (148)  | (41)                              | (78)                               | (54)  | (51)                                       | (1,134)                             |
| <b>Net assets</b>              | <b>4,277</b>                                       | <b>1,112</b>                      | <b>2,536</b>                       | <b>1,724</b>  | <b>1,930</b>                               | <b>1,301</b>                        |

\* Financial liabilities exclude trade and other payables and provisions, which are presented under other current and non-current liabilities.

**15 Associates and joint ventures** (continued)

Summarised statements of comprehensive income for the year ended 31 December:

|  | Shanghai<br>Yibin<br>Property<br>Co. Ltd.<br>US\$m | Properties<br>Sub F, Ltd<br>US\$m | BFC<br>Development<br>LLP<br>US\$m | Central<br>Boulevard<br>Development<br>Pte Ltd<br>US\$m | One<br>Raffles<br>Quay<br>Pte Ltd<br>US\$m | PT Astra<br>Honda<br>Motor<br>US\$m |
|--|--|-----------------------------------|------------------------------------|---|--|-------------------------------------|
| <b>2024</b>  |  |                                   |                                    |   |  |                                     |
| Revenue  | –  | 83                                | 183                                | 135   | 134  | 6,111                               |
| Depreciation and amortisation                                      | –  | (3)                               | –                                  | –   | –  | (93)                                |
| Interest income  | 1  | 3                                 | –                                  | –   | –  | 52                                  |
| Interest expense   | –  | –                                 | (53)                               | (46)  | (28)                                       | –                                   |
| Profit/(loss) from underlying<br>business performance              | (3)  | 44                                | 87                                 | 55  | 73   | 772                                 |
| Tax  | 1  | (5)                               | (14)                               | (9)   | (12)                                       | (161)                               |
| Profit/(loss) after tax from<br>underlying business<br>performance | (2)  | 39                                | 73                                 | 46  | 61   | 611                                 |
| Profit/(loss) after tax from non-<br>trading items                 | 38   | (14)                              | 205                                | 204   | 13   | –                                   |
| Profit after tax   | 36   | 25                                | 278                                | 250   | 74   | 611                                 |
| Other comprehensive income/<br>(expense)                           | (120)  | 7                                 | (73)                               | (68)  | (65)                                       | (3)                                 |
| Total comprehensive income/<br>(expense)                           | <b>(84)</b>  | <b>32</b>                         | <b>205</b>                         | <b>182</b>  | <b>9</b>                                   | <b>608</b>                          |
| Dividends received from joint<br>ventures                          | –  | –                                 | 25                                 | 15  | 20   | 284                                 |
| <b>2023</b>  |  |                                   |                                    |   |  |                                     |
| Revenue  | –  | 81                                | 171                                | 133   | 131  | 6,160                               |
| Depreciation and amortisation                                      | –  | (4)                               | –                                  | –   | –  | (101)                               |
| Interest income  | 1  | 1                                 | –                                  | –   | –  | 43                                  |
| Interest expense   | –  | –                                 | (54)                               | (44)  | (29)                                       | –                                   |
| Profit from underlying business<br>performance                     | (3)  | 31                                | 74                                 | 57  | 70   | 693                                 |
| Tax  | 1  | (4)                               | (12)                               | (10)  | (12)                                       | (145)                               |
| Profit/(loss) after tax from<br>underlying business<br>performance | (2)  | 27                                | 62                                 | 47  | 58   | 548                                 |
| Profit/(loss) after tax from non-<br>trading items                 | 9  | (7)                               | 55                                 | 22  | –  | –                                   |
| Profit after tax   | 7  | 20                                | 117                                | 69  | 58   | 548                                 |
| Other comprehensive income/<br>(expense)                           | (85)   | (2)                               | 38                                 | 26  | 30   | (4)                                 |
| Total comprehensive income/<br>(expense)                           | <b>(78)</b>  | <b>18</b>                         | <b>155</b>                         | <b>95</b>   | <b>88</b>                                  | <b>544</b>                          |
| Dividends received from joint<br>ventures                          | –  | –                                 | 21                                 | 16  | 19   | 234                                 |

The information contained in the summarised balance sheets and statements of comprehensive income reflect the amounts presented in the financial statements of the joint ventures adjusted for differences in accounting policies between the Group and the joint ventures, and fair value of the joint ventures at the time of acquisition.

**15 Associates and joint ventures** (continued)**Reconciliation of the summarised financial information**

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in its material joint ventures for the year ended 31 December:

|  | Shanghai<br>Yibin<br>Property<br>Co. Ltd.<br>US\$m | Properties<br>Sub F, Ltd<br>US\$m | BFC<br>Development<br>LLP<br>US\$m | Central<br>Boulevard<br>Development<br>Pte Ltd<br>US\$m | One<br>Raffles<br>Quay<br>Pte Ltd<br>US\$m | PT Astra<br>Honda<br>Motor<br>US\$m |
|--|--|-----------------------------------|------------------------------------|---|--|-------------------------------------|
| <b>2024</b>                                      |  |                                   |                                    |   |  |                                     |
| Net assets                                       | 4,193  | 1,144                             | 2,665                              | 1,860   | 1,879                                      | 1,280                               |
| <i>Interest in joint ventures (%)</i>            | 43   | 49                                | 33                                 | 33  | 33   | 50                                  |
| Group's share of net assets in<br>joint ventures | 1,803  | 561                               | 888                                | 620   | 627  | 640                                 |
| Amounts due from joint ventures                  | –  | –                                 | –                                  | –   | 40   | –                                   |
| <b>Carrying value</b>                            | <b>1,803</b>                                       | <b>561</b>                        | <b>888</b>                         | <b>620</b>  | <b>667</b>                                 | <b>640</b>                          |
| <b>2023</b>                                      |  |                                   |                                    |   |  |                                     |
| Net assets                                       | 4,277  | 1,112                             | 2,536                              | 1,724   | 1,930                                      | 1,301                               |
| <i>Interest in joint ventures (%)</i>            | 43   | 49                                | 33                                 | 33  | 33   | 50                                  |
| Group's share of net assets in<br>joint ventures | 1,839  | 545                               | 845                                | 575   | 643  | 651                                 |
| Amounts due from joint ventures                  | –  | –                                 | –                                  | –   | 39   | –                                   |
| <b>Carrying value</b>                            | <b>1,839</b>                                       | <b>545</b>                        | <b>845</b>                         | <b>575</b>  | <b>682</b>                                 | <b>651</b>                          |

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

|  | <b>2024</b><br>US\$m | 2023<br>US\$m |
|--|----------------------|---------------|
| Share of profit                                      | <b>376</b>           | 491           |
| Share of other comprehensive expense                 | <b>(106)</b>         | (29)          |
| Share of total comprehensive income                  | <b>270</b>           | 462           |
| Carrying amount of interests in these joint ventures | <b>7,153</b>         | 7,589         |

**Commitments and contingent liabilities in respect of joint ventures**

The Group has the following commitments relating to its joint ventures as at 31 December:

|   | <b>2024</b><br>US\$m | 2023<br>US\$m |
|---|----------------------|---------------|
| Commitment to provide funding if called | <b>716</b>           | 745           |

There were no contingent liabilities relating to the Group's interest in the joint ventures at 31 December 2024 and 2023.

## 16 Other investments

|   | 2024<br>US\$m | 2023<br>US\$m |
|---|---------------|---------------|
| Equity investments measured at fair value through profit and loss                   |               |               |
| Listed securities   |               |               |
| – Schindler Holdings  | 348           | 301           |
| – Toyota Motor Corporation  | 291           | 265           |
| – Vietnam Dairy Products Joint Stock Company (Vinamilk)                             | 552           | 618           |
| – Other   | 229           | 311           |
|   | 1,420         | 1,495         |
| Unlisted securities   | 246           | 255           |
|   | 1,666         | 1,750         |
| Debt investments measured at fair value through profit and loss                     | 399           | 418           |
| Debt investments measured at fair value through other comprehensive income          | 984           | 916           |
| Limited partnership investment funds measured at fair value through profit and loss | 388           | 300           |
|   | 3,437         | 3,384         |
| Non-current   | 3,387         | 3,329         |
| Current   | 50            | 55            |
|   | 3,437         | 3,384         |

Debt investments measured at fair value through other comprehensive income comprised listed bonds.

|  | 2024<br>US\$m | 2023<br>US\$m |
|--|---------------|---------------|
| <b><i>Movements during the year:</i></b>                               |               |               |
| At 1 January   | 3,384         | 2,819         |
| Exchange differences   | (100)         | 55            |
| Additions  | 417           | 685           |
| Disposals and capital repayments                                       | (253)         | (160)         |
| Reclassification of other investments to associates and joint ventures | –             | (35)          |
| Unwinding of premium   | –             | (1)           |
| Change in fair value recognised in profit and loss                     | 2             | 33            |
| Change in fair value recognised in other comprehensive income          | (13)          | (12)          |
| At 31 December   | 3,437         | 3,384         |

Movements of equity investments and limited partnership investment funds which were valued based on unobservable inputs during the year are disclosed in note 43.

Management considers debt investments have low credit risk when they have a low risk of default based on credit ratings from major rating agencies.

## 17 Debtors

|   | 2024<br>US\$m | 2023<br>US\$m |
|---|---------------|---------------|
| Consumer financing debtors              |               |               |
| – gross                                 | 5,048         | 4,847         |
| – provision for impairment              | (307)         | (330)         |
|   | 4,741         | 4,517         |
| Financing lease receivables             |               |               |
| – gross investment                      | 790           | 680           |
| – unearned finance income               | (81)          | (70)          |
| – net investment                        | 709           | 610           |
| – provision for impairment              | (35)          | (35)          |
|   | 674           | 575           |
| Financing debtors                       | 5,415         | 5,092         |
| Trade debtors                           |               |               |
| – third parties                         | 2,041         | 2,053         |
| – associates                            | 43            | 46            |
| – joint ventures                        | 122           | 163           |
|   | 2,206         | 2,262         |
| – provision for impairment              | (75)          | (73)          |
|   | 2,131         | 2,189         |
| Contract assets ( <i>refer note 3</i> ) |               |               |
| – gross                                 | 112           | 157           |
| – provision for impairment              | (4)           | (61)          |
|   | 108           | 96            |
| Other debtors                           |               |               |
| – third parties                         | 2,833         | 2,926         |
| – associates                            | 147           | 130           |
| – joint ventures                        | 147           | 137           |
|   | 3,127         | 3,193         |
| – provision for impairment              | (47)          | (46)          |
|   | 3,080         | 3,147         |
|   | 10,734        | 10,524        |
| Non-current                             |               |               |
| – consumer financing debtors            | 2,408         | 2,342         |
| – financing lease receivables           | 303           | 248           |
| – trade debtors                         | 1             | 2             |
| – other debtors                         | 1,183         | 1,241         |
|   | 3,895         | 3,833         |
| Current                                 |               |               |
| – consumer financing debtors            | 2,333         | 2,175         |
| – financing lease receivables           | 371           | 327           |
| – trade debtors                         | 2,130         | 2,187         |
| – contract assets                       | 108           | 96            |
| – other debtors                         | 1,897         | 1,906         |
|   | 6,839         | 6,691         |
|   | 10,734        | 10,524        |

**17 Debtors** (continued)

|   | 2024<br>US\$m | 2023<br>US\$m |
|---|---------------|---------------|
| <b><i>Analysis by geographical area of operation:</i></b> |               |               |
| China   | 975           | 922           |
| Southeast Asia  | 9,586         | 9,488         |
| Rest of the world   | 173           | 114           |
|   | <b>10,734</b> | 10,524        |
| <b><i>Analysis by fair value:</i></b>                     |               |               |
| Consumer financing debtors                                | 4,288         | 4,010         |
| Financing lease receivables                               | 639           | 550           |
| Financing debtors   | 4,927         | 4,560         |
| Trade debtors   | 2,131         | 2,189         |
| Other debtors*  | 1,654         | 1,452         |
|   | <b>8,712</b>  | 8,201         |

\*Excluding prepayments and other non-financial debtors.

The fair values of financing debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly discount rates of 11% to 37% per annum (2023: 10% to 37% per annum). The higher the discount rates, the lower the fair value.

The fair values of other debtors, other than short-term debtors, are estimated using the expected future receipts discounted at market rates ranging from 5% to 14% per annum (2023: 5% to 13% per annum). The fair value of short-term debtors approximates their carrying amounts. Derivative financial instruments are stated at fair value. The higher the discount rates, the lower the fair value.

**Financing debtors**

Financing debtors comprise consumer financing debtors and financing lease receivables. They primarily relate to Astra's motor vehicle and motorcycle financing businesses.

Financing debtors are due within eight years (2023: eight years) from the balance sheet date and the interest rates range from 7% to 46% per annum (2023: 7% to 48% per annum).

An analysis of financing lease receivables is set out below:

|                           | 2024<br>US\$m | 2023<br>US\$m |
|---------------------------|---------------|---------------|
| Lease receivables         | 790           | 680           |
| Guaranteed residual value | 259           | 241           |
| Security deposits         | (259)         | (241)         |
| Gross investment          | 790           | 680           |
| Unearned finance income   | (81)          | (70)          |
| Net investment            | <b>709</b>    | 610           |

## 17 Debtors (continued)

The maturity analyses of financing lease receivables at 31 December are as follows:

|                            | 2024             |                | 2023             |                |
|----------------------------|------------------|----------------|------------------|----------------|
|                            | Gross investment | Net investment | Gross investment | Net investment |
|                            | US\$m            | US\$m          | US\$m            | US\$m          |
| Within one year            | 444              | 390            | 396              | 347            |
| Between one and two years  | 229              | 208            | 213              | 196            |
| Between two and five years | 104              | 98             | 68               | 64             |
| Beyond five years          | 13               | 13             | 3                | 3              |
|                            | <b>790</b>       | <b>709</b>     | 680              | 610            |

### Impairment of financing debtors

Before accepting any new customer, the Group assesses the potential customer's credit quality and sets credit limits by customer using internal scoring systems. These limits and scoring are reviewed periodically. The Group obtains collateral in the form of motor vehicles and motorcycles from consumer financing debtors.

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

The Group provides for credit losses against the financing debtors as follows:

|                 | 2024                      |  | 2023                      |  |
|-----------------|---------------------------|--|---------------------------|--|
|                 | Expected credit loss rate | Estimated gross carrying amount at default | Expected credit loss rate | Estimated gross carrying amount at default |
|                 | %                         | US\$m                                      | %                         | US\$m                                      |
| Performing      | 0.07 – 5.66               | 4,218                                      | 1.46 – 8.00               | 4,187                                      |
| Underperforming | 0.07 – 40.70              | 1,443                                      | 1.46 – 32.57              | 1,165                                      |
| Non-performing  | 14.05 – 66.00             | 96   | 34.20 – 66.00             | 105  |
|                 |                           | <b>5,757</b>                               |                           | 5,457                                      |

**17 Debtors** (continued)

Movements of provisions for impairment of financing debtors are as follows:

|                                   | Performing<br>US\$m | Underperforming<br>US\$m | Non-performing<br>US\$m | Total<br>US\$m |
|-----------------------------------|---------------------|--------------------------|-------------------------|----------------|
| <b>2024</b>                       |                     |                          |                         |                |
| At 1 January                      | (182)               | (117)                    | (66)                    | <b>(365)</b>   |
| Exchange differences              | 7                   | 6                        | 3                       | <b>16</b>      |
| (Additional provisions)/writeback | (50)                | (60)                     | 11                      | <b>(99)</b>    |
| Transfer                          | 98                  | (40)                     | (58)                    | <b>–</b>       |
| Write off/utilisation             | –                   | 57                       | 49                      | <b>106</b>     |
| At 31 December                    | <b>(127)</b>        | <b>(154)</b>             | <b>(61)</b>             | <b>(342)</b>   |
| <b>2023</b>                       |                     |                          |                         |                |
| At 1 January                      | (164)               | (117)                    | (90)                    | (371)          |
| Exchange differences              | (3)                 | (3)                      | (2)                     | (8)            |
| (Additional provisions)/writeback | 79                  | (114)                    | (60)                    | (95)           |
| Transfer                          | (94)                | 62                       | 32                      | –              |
| Write off/utilisation             | –                   | 55                       | 54                      | 109            |
| At 31 December                    | (182)               | (117)                    | (66)                    | (365)          |

At 31 December 2024 and 2023, there are no financing debtors that are written off but still subject to enforcement activities.

**Trade and other debtors**

The average credit period on sale of goods and services varies among Group businesses and is generally not more than 60 days.

Other debtors net of provision for impairment are further analysed as follows:

|   | <b>2024</b><br>US\$m | 2023<br>US\$m |
|---|----------------------|---------------|
| Derivative financial instruments ( <i>refer note 34</i> ) | <b>59</b>            | 73            |
| Loans to employees  | <b>38</b>            | 38            |
| Other amounts due from associates                         | <b>147</b>           | 130           |
| Other amounts due from joint ventures                     | <b>147</b>           | 137           |
| Rental and other deposits                                 | <b>172</b>           | 182           |
| Repossessed collateral of finance companies               | <b>42</b>            | 41            |
| Restricted bank balances and deposits                     | <b>67</b>            | 49            |
| Deferred consideration ( <i>refer note 33(k)</i> )        | <b>50</b>            | –             |
| Other receivables   | <b>939</b>           | 810           |
| Financial assets  | <b>1,661</b>         | 1,460         |
| Costs to fulfil contracts ( <i>refer note 3</i> )         | <b>107</b>           | 90            |
| Costs to obtain contracts ( <i>refer note 3</i> )         | <b>2</b>             | 15            |
| Prepayments   | <b>729</b>           | 974           |
| Insurance contract assets                                 | <b>1</b>             | 68            |
| Reinsurance contract assets                               | <b>131</b>           | 131           |
| Other   | <b>449</b>           | 409           |
|   | <b>3,080</b>         | 3,147         |

## 17 Debtors (continued)

### Impairment of trade debtors and contract assets

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

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

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

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

The loss allowance for both trade debtors and contract assets at 31 December 2024 and 2023 were determined as follows:

|                               | Below<br>30 days | Between<br>31 and 60 days | Between<br>61 and 120 days | More than<br>120 days | Total        |
|-------------------------------|------------------|---------------------------|----------------------------|-----------------------|--------------|
| <b>2024</b>                   |                  |                           |                            |                       |              |
| <b>Trade debtors</b>          |                  |                           |                            |                       |              |
| Expected loss rate (%)        | 0.5              | 1.7                       | 4.5                        | 58.4                  |              |
| Gross carrying amount (US\$m) | 1,862            | 162                       | 81                         | 101                   | <b>2,206</b> |
| Loss allowance (US\$m)        | (10)             | (3)                       | (3)                        | (59)                  | <b>(75)</b>  |
| <b>Contract assets</b>        |                  |                           |                            |                       |              |
| Expected loss rate (%)        | 3.4              | N/A                       | N/A                        | N/A                   |              |
| Gross carrying amount (US\$m) | 112              | –                         | –                          | –                     | <b>112</b>   |
| Loss allowance (US\$m)        | (4)              | –                         | –                          | –                     | <b>(4)</b>   |
| <b>2023</b>                   |                  |                           |                            |                       |              |
| <b>Trade debtors</b>          |                  |                           |                            |                       |              |
| Expected loss rate (%)        | 0.9              | 3.5                       | 4.5                        | 46.4                  |              |
| Gross carrying amount (US\$m) | 1,950            | 133                       | 76                         | 103                   | <b>2,262</b> |
| Loss allowance (US\$m)        | (17)             | (5)                       | (3)                        | (48)                  | <b>(73)</b>  |
| <b>Contract assets</b>        |                  |                           |                            |                       |              |
| Expected loss rate (%)        | 39.1             | N/A                       | N/A                        | N/A                   |              |
| Gross carrying amount (US\$m) | 157              | –                         | –                          | –                     | <b>157</b>   |
| Loss allowance (US\$m)        | (61)             | –                         | –                          | –                     | <b>(61)</b>  |

**17 Debtors** (continued)

Movements in the provisions for impairment are as follows:

|                            | Trade debtors |               | Contract assets |               | Other debtors |               |
|----------------------------|---------------|---------------|-----------------|---------------|---------------|---------------|
|                            | 2024<br>US\$m | 2023<br>US\$m | 2024<br>US\$m   | 2023<br>US\$m | 2024<br>US\$m | 2023<br>US\$m |
| At 1 January               | (73)          | (98)          | (61)            | (59)          | (46)          | (35)          |
| Exchange differences       | 2             | (2)           | 1               | (1)           | 2             | –             |
| Additional provisions      | (14)          | (19)          | (1)             | (1)           | (8)           | (21)          |
| Unused amounts<br>reversed | 5             | 8             | –               | –             | 2             | 5             |
| Amounts written off        | 5             | 38            | 57              | –             | 3             | 5             |
| At 31 December             | (75)          | (73)          | (4)             | (61)          | (47)          | (46)          |

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

At 31 December 2024, the carrying amount of consumer financing debtors and other debtors pledged as security for borrowings amounted to US\$18 million and US\$5 million (2023: US\$16 million and US\$12 million), respectively (refer note 29). Financing lease receivables, trade debtors and contract assets had not been pledged as security for borrowings at 31 December 2024 and 2023.

**18 Deferred tax assets/(liabilities)**

|   | Accelerated<br>tax<br>depreciation<br>US\$m | Fair value<br>gains/<br>(losses)<br>US\$m | Losses<br>US\$m | Employee<br>benefits<br>US\$m | Lease<br>liabilities<br>and other<br>temporary<br>differences<br>US\$m | Total<br>US\$m |
|---|---|---|-----------------|-------------------------------|--|----------------|
| <b>2024</b>                                     |   |   |                 |                               |  |                |
| At 1 January                                    | (463)                                       | (455)                                     | 91              | 121                           | 488  | <b>(218)</b>   |
| Exchange differences                            | 5   | 11  | (2)             | (6)                           | (16)   | <b>(8)</b>     |
| New subsidiaries                                | –   | (1)                                       | –               | –                             | (5)  | <b>(6)</b>     |
| Disposals                                       | (3)   | –   | –               | –                             | 9  | <b>6</b>       |
| Purchase price adjustment<br>(refer note 33(c)) | (1)   | 15  | –               | –                             | 1  | <b>15</b>      |
| Credited/(charged) to profit and loss           | (28)  | (1)                                       | 15              | 17                            | 15   | <b>18</b>      |
| Charged to other comprehensive<br>income        | –   | (1)                                       | –               | (2)                           | –  | <b>(3)</b>     |
| At 31 December                                  | <b>(490)</b>                                | <b>(432)</b>                              | <b>104</b>      | <b>130</b>                    | <b>492</b>   | <b>(196)</b>   |
| Deferred tax assets                             | (162)                                       | (50)                                      | 77              | 122                           | 595  | <b>582</b>     |
| Deferred tax liabilities                        | (328)                                       | (382)                                     | 27              | 8                             | (103)  | <b>(778)</b>   |
|   | <b>(490)</b>                                | <b>(432)</b>                              | <b>104</b>      | <b>130</b>                    | <b>492</b>   | <b>(196)</b>   |
| <b>2023</b>                                     |   |   |                 |                               |  |                |
| At 1 January                                    | (424)                                       | (349)                                     | 77              | 107                           | 373  | (216)          |
| Exchange differences                            | (6)   | –   | –               | 2                             | 11   | 7              |
| New subsidiaries                                | –   | (112)                                     | –               | –                             | (12)   | (124)          |
| Disposals                                       | 7   | –   | –               | (3)                           | (1)  | 3              |
| Credited/(charged) to profit and loss           | (51)  | (3)                                       | 14              | 11                            | 129  | 100            |
| Credited to other comprehensive<br>income       | –   | 9   | –               | 4                             | –  | 13             |
| Classified as held for sale                     | 11  | –   | –               | –                             | (12)   | (1)            |
| At 31 December                                  | (463)                                       | (455)                                     | 91              | 121                           | 488  | (218)          |
| Deferred tax assets                             | (149)                                       | (49)                                      | 53              | 113                           | 676  | 644            |
| Deferred tax liabilities                        | (314)                                       | (406)                                     | 38              | 8                             | (188)  | (862)          |
|   | (463)                                       | (455)                                     | 91              | 121                           | 488  | (218)          |

Deferred tax balances predominantly comprise non-current items. Deferred tax assets and liabilities are netted when the taxes relate to the same taxation authority and where offsetting is allowed.

Deferred tax assets of US\$192 million (2023: US\$226 million) arising from unused tax losses of US\$860 million (2023: US\$1,022 million) have not been recognised in the financial statements. Included in the unused tax losses, US\$243 million have no expiry date and the remaining balance will expire at various dates up to and including 2030.

Deferred tax liabilities of US\$739 million (2023: US\$644 million) arising on temporary differences associated with investments in subsidiaries of US\$7,394 million (2023: US\$6,206 million) have not been recognised as there is no current intention of remitting the retained earnings of these subsidiaries to the holding companies in the foreseeable future.

## 19 Pension plans

The Group operates defined benefit pension plans in the main territories in which it operates, with the major plans in Hong Kong. Most of the pension plans are final salary defined benefit plans, calculated based on members' length of service and their salaries in the final years leading up to retirement. In Hong Kong, the pension benefits are usually paid in one lump sum. With the exception of certain plans in Hong Kong, all the other defined benefit plans are closed to new members. In addition, although all plans are impacted by the discount rate, liabilities in Hong Kong are driven by salary growth.

The Group's defined benefit plans are either funded or unfunded, with the assets of the funded plans held independently of the Group's assets in separate trustee administered funds. Plan assets held in trusts are governed by local regulations and practices in each country. Responsibility for governance of the plans, including investment decisions and contribution schedules, lies jointly with the company and the boards of trustees. The Group's major plans are valued by independent actuaries annually using the projected unit credit method.

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

|   | 2024<br>US\$m | 2023<br>US\$m |
|---|---------------|---------------|
| Fair value of plan assets                   | 575           | 595           |
| Present value of funded obligations         | (569)         | (595)         |
|   | 6             | –             |
| Present value of unfunded obligations       | (372)         | (362)         |
| Net pension liabilities                     | (366)         | (362)         |
| <b>Analysis of net pension liabilities:</b> |               |               |
| Pension assets                              | 11            | 8             |
| Pension liabilities                         | (377)         | (370)         |
|   | (366)         | (362)         |

The movement in the net pension liabilities is as follows:

|  | Fair value<br>of plan<br>assets<br>US\$m | Present<br>value of<br>obligations<br>US\$m | Total<br>US\$m |
|--|--|---|----------------|
| <b>2024</b>  |  |   |                |
| At 1 January   | 595                                      | (957)                                       | (362)          |
| Current service cost   | –  | (62)  | (62)           |
| Interest income/(expense)  | 25                                       | (46)  | (21)           |
| Past services cost and losses on settlements                           | –  | (1)   | (1)            |
| Administration expenses  | (3)                                      | –   | (3)            |
|  | 22                                       | (109)                                       | (87)           |
|  | 617                                      | (1,066)                                     | (449)          |
| Exchange differences   | –  | 17  | 17             |
| Disposals  | –  | 1   | 1              |
| Remeasurements   |  |   |                |
| – return on plan assets, excluding amounts included in interest income | 5  | –   | 5              |
| – change in financial assumptions                                      | –  | 2   | 2              |
| – experience losses  | –  | 5   | 5              |
|  | 5  | 7   | 12             |
| Contributions from employers   | 29                                       | –   | 29             |
| Contributions from plan participants                                   | 4  | (4)   | –              |
| Benefit payments   | (71)                                     | 94  | 23             |
| Settlements  | (13)                                     | 14  | 1              |
| Transfer from other plans  | 4  | (4)   | –              |
| At 31 December   | 575                                      | (941)                                       | (366)          |

## 19 Pension plans (continued)

|  | Fair value<br>of plan<br>assets<br>US\$m | Present<br>value of<br>obligations<br>US\$m | Total<br>US\$m |
|--|--|---|----------------|
| <b>2023</b>  |  |   |                |
| At 1 January   | 742                                      | (1,093)                                     | (351)          |
| Current service cost   | –  | (60)  | (60)           |
| Interest income/(expense)  | 27                                       | (15)  | 12             |
| Past services cost and losses on settlements                           | –  | (1)   | (1)            |
| Administration expenses  | (1)                                      | –   | (1)            |
|  | <u>26</u>                                | <u>(76)</u>                                 | <u>(50)</u>    |
|  | 768                                      | (1,169)                                     | (401)          |
| Exchange differences   | 8  | (16)  | (8)            |
| New subsidiaries   | –  | (1)   | (1)            |
| Disposals  | (154)                                    | 165   | 11             |
| Remeasurements   |  |   |                |
| – return on plan assets, excluding amounts included in interest income | 14                                       | –   | 14             |
| – change in financial assumptions                                      | –  | (20)  | (20)           |
| – experience losses  | –  | (12)  | (12)           |
|  | 14                                       | (32)  | (18)           |
| Contributions from employers   | 33                                       | –   | 33             |
| Contributions from plan participants                                   | 3  | (3)   | –              |
| Benefit payments   | (77)                                     | 99  | 22             |
| At 31 December   | 595                                      | (957)                                       | (362)          |

The weighted average duration of the defined benefit obligations at 31 December 2024 is 10 years (2023: 10 years).

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

|                                  | 2024<br>US\$m | 2023<br>US\$m |
|----------------------------------|---------------|---------------|
| Within one year                  | 139           | 126           |
| Between one and two years        | 82            | 105           |
| Between two and five years       | 285           | 288           |
| Between five and ten years       | 521           | 496           |
| Between ten and fifteen years    | 619           | 595           |
| Between fifteen and twenty years | 987           | 892           |
| Beyond twenty years              | 2,937         | 2,976         |
|                                  | <b>5,570</b>  | 5,478         |

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

|                    | Hong Kong |           | Others    |           |
|--------------------|-----------|-----------|-----------|-----------|
|                    | 2024<br>% | 2023<br>% | 2024<br>% | 2023<br>% |
| Discount rate      | 4.5       | 4.3       | 6.3       | 6.3       |
| Salary growth rate | 4.5       | 4.0       | 6.3       | 6.3       |
| Inflation rate     | N/A       | N/A       | 3.5       | 3.4       |

As participants of the plans relating to Hong Kong usually take lump sum amounts upon retirement, mortality rate is not a principal assumption for these plans.

**19 Pension plans** (continued)

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

|                    | Change in assumption<br>% | (Increase)/decrease on defined benefit obligations |                                 |
|--------------------|---------------------------|--|---------------------------------|
|                    |                           | Increase in assumption<br>US\$m                    | Decrease in assumption<br>US\$m |
| Discount rate      | 1                         | <b>74</b>  | <b>(87)</b>                     |
| Salary growth rate | 1                         | <b>(82)</b>  | <b>71</b>                       |
| Inflation rate     | 1                         | <b>(1)</b>   | <b>1</b>                        |

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

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

|                            | 2024<br>US\$m | 2023<br>US\$m |
|----------------------------|---------------|---------------|
| Equity investments         |               |               |
| Asia Pacific               | 4             | 9             |
| Europe                     | 3             | 4             |
| North America              | 10            | 8             |
| Global                     | —             | 1             |
|                            | 17            | 22            |
| Debt investments           |               |               |
| Asia Pacific               | 22            | 24            |
| Europe                     | 4             | 4             |
| North America              | 10            | 9             |
| Global                     | 4             | 3             |
|                            | 40            | 40            |
| Investment funds           |               |               |
| Asia Pacific               | 77            | 97            |
| Europe                     | 122           | 126           |
| North America              | 240           | 221           |
| Global                     | 82            | 90            |
|                            | 521           | 534           |
| Total investments          | 578           | 596           |
| Cash and cash equivalents  | 21            | 27            |
| Benefits payable and other | (24)          | (28)          |
|                            | 575           | 595           |

At 31 December 2024, 91% of equity investments, 91% of debt investments and 66% of investment funds were quoted on active markets (2023: 92%, 93% and 67%, respectively).

The strategic asset allocation is derived from the asset-liability modelling (ALM) review, done triennially to ensure the plans can meet future funding and solvency requirements. The latest ALM review was completed in 2024. The next ALM review is scheduled for 2027.

## 19 Pension plans (continued)

At 31 December 2024, the Hong Kong and United Kingdom plans had assets of US\$471 million and US\$77 million (2023: US\$473 million and US\$87 million), respectively.

The Group maintains an active and regular contribution schedule across all the plans. The contributions to all its plans in 2024 were US\$29 million and the estimated amount of contributions expected to be paid to all its plans in 2025 is US\$26 million.

## 20 Properties for sale

|   | 2024         | 2023         |
|---|--------------|--------------|
|   | US\$m        | US\$m        |
| Properties in the course of development | 1,118        | 1,960        |
| Completed properties                    | 1,761        | 1,520        |
|   | <b>2,879</b> | <b>3,480</b> |

At 31 December 2024, properties in the course of development amounting to US\$899 million (2023: US\$822 million) were not scheduled for completion within the next twelve months.

At 31 December 2024, the carrying amount of properties for sale pledged as security for borrowings amounted to US\$872 million (2023: US\$848 million) (refer note 29).

## 21 Stocks and work in progress

|                  | 2024         | 2023         |
|------------------|--------------|--------------|
|                  | US\$m        | US\$m        |
| Finished goods   | 2,854        | 3,153        |
| Work in progress | 57           | 59           |
| Raw materials    | 143          | 162          |
| Spare parts      | 131          | 127          |
| Other            | 147          | 163          |
|                  | <b>3,332</b> | <b>3,664</b> |

At 31 December 2024 and 2023, the Group's stocks and work in progress had not been pledged as security for borrowings.

## 22 Cash and bank balances

|  | 2024<br>US\$m | 2023<br>US\$m |
|--|---------------|---------------|
| Deposits with banks and financial institutions | 2,354         | 2,532         |
| Bank balances                                  | 2,349         | 2,064         |
| Cash balances                                  | 135           | 202           |
|  | <u>4,838</u>  | <u>4,798</u>  |
| Restricted cash                                | 9             | 82            |
|  | <u>4,847</u>  | <u>4,880</u>  |
| <b><i>Analysis by currency:</i></b>            |               |               |
| Chinese yuan                                   | 498           | 531           |
| Euro   | 30            | 24            |
| Hong Kong dollar                               | 281           | 360           |
| Indonesian rupiah                              | 2,185         | 2,120         |
| Japanese yen                                   | 23            | 24            |
| Macau patacas                                  | 19            | 25            |
| Malaysian ringgit                              | 31            | 48            |
| New Taiwan dollar                              | 91            | 70            |
| Singapore dollar                               | 163           | 315           |
| United Kingdom sterling                        | 27            | 24            |
| United States dollar                           | 1,464         | 1,312         |
| Other  | 35            | 27            |
|  | <u>4,847</u>  | <u>4,880</u>  |

The weighted average interest rate on deposits with banks and financial institutions at 31 December 2024 was 3.7% (2023: 3.6%) per annum.

Restricted cash represents property sale proceeds placed with banks and financial institutions in accordance with the requirements of property development on the Chinese mainland and are restricted for use until certain conditions were fulfilled.

## 23 Assets and liabilities classified as held for sale

The major classes of assets and liabilities directly associated with assets classified as held for sale are set out below:

|                               | 2024         | 2023       |
|-------------------------------|--------------|------------|
|                               | US\$m        | US\$m      |
| Tangible assets               | –            | 325        |
| Right-of-use assets           | 4            | 25         |
| Investment properties         | 19           | –          |
| Associates and joint ventures | 1,688        | –          |
| Deferred tax assets           | –            | 1          |
| Current assets*               | 17           | 29         |
| <b>Total assets</b>           | <b>1,728</b> | <b>380</b> |
| Current liabilities           | –            | 44         |

\* Included cash and bank balances of US\$4 million (2023: US\$14 million) (refer note 33(n)).

At 31 December 2024, assets classified as held for sale principally related to DFI Retail's 21% interest in Yonghui, amounted to US\$1,662 million, with the movements as follows:

|   | 2024         |
|---|--------------|
|   | US\$m        |
| At 1 January  | –            |
| Exchange differences  | (30)         |
| Reclassified from associates and joint ventures (refer note 15) | 759          |
| Impairment charge   | (149)        |
| Change in fair value  | 1,082        |
| <b>At 31 December</b>   | <b>1,662</b> |

In September 2024, DFI Retail entered into a share transfer agreement (the Agreement) with a third party for the disposal of its entire interest in Yonghui, for a total consideration of CNY4,496 million (US\$623 million).

On entering the Agreement, management considered the divestment was highly probable within one year, and accordingly, the interest in Yonghui was reclassified to assets held for sale, and the equity basis of accounting for this investment was discontinued in September 2024. An impairment charge of US\$149 million was recognised to reduce the US\$759 million carrying value of Yonghui to its fair value less costs to sell.

As part of the financial risk management strategy, DFI Retail designated the Agreement, representing a forward contract (refer note 34), as the hedging instrument to mitigate the changes in fair value of the shares associated with its interest in Yonghui, the hedged asset. As a result, fair value hedge accounting has been applied, with changes in the fair value of both the forward contract and DFI Retail's interest in Yonghui recognised in profit and loss.

At 31 December 2024, Yonghui's share price indicated a fair value gain of US\$1,082 million on the Yonghui interest classified under held for sale. Simultaneously, a corresponding fair value loss of US\$1,051 million (refer note 34) was recorded on the forward contract.

To mitigate the potential losses from the Chinese yuan versus the United States dollar, forward foreign exchange contracts were secured in December 2024. At 31 December 2024, a total fair value gain of US\$8 million arose from the forward foreign exchange contracts (refer note 34) was credited to profit and loss.

**23 Assets and liabilities classified as held for sale** (continued)

The loss relating to the divestment of interest in Yonghui of US\$114 million (*refer notes 4 and 9*) for the year ended 31 December 2024 is summarised as follows:

|  | 2024<br>US\$m |
|--|---------------|
| Impairment charge upon reclassification to assets held for sale                | (149)         |
| Fair value gain on interest in Yonghui   | 1,082         |
| Fair value loss on a forward contract ( <i>refer note 34</i> )                 | (1,051)       |
| Fair value gain on forward foreign exchange contracts ( <i>refer note 34</i> ) | 8             |
| Transaction costs provided   | (4)           |
|  | <b>(114)</b>  |

The Group's attributable share of the loss was US\$89 million (*refer note 9*).

Additional information on the impact to the consolidated balance sheet relating to the divestment of interest in Yonghui at 31 December 2024 is also set out below:

|  | 2024<br>US\$m |
|--|---------------|
| Debtors ( <i>refer note 34</i> )           | 8             |
| Assets classified as held for sale         | 1,662         |
| Creditors ( <i>refer notes 31 and 34</i> ) | (1,053)       |
|  | <b>617</b>    |

The divestment was completed with proceeds of CNY4,496 million received on 26 February 2025. The assets held for sale and creditors described above were therefore settled on the completion date. Based on a preliminary assessment, a further loss of approximately US\$130 million (Group's attributable share of US\$101 million), mainly from the realisation of exchange translation differences, will be charged to profit and loss in the year ending 31 December 2025. The total loss relating to the divestment is approximately US\$244 million (Group's attributable share of US\$190 million).

At 31 December 2023, assets and liabilities classified as held for sale principally related to Mandarin Oriental's hotel in Paris (the Paris Hotel) and its adjoining retail units with total net assets of US\$308 million, and were sold in 2024 (*refer notes 33(h) and 33(k)*).

## 24 Share capital

|                                     |            |      | 2024       | 2023  |
|-------------------------------------|------------|------|------------|-------|
|                                     |            |      | US\$m      | US\$m |
| <b>Authorised:</b>                  |            |      |            |       |
| 1,000,000,000 shares of US\$25 each |            |      | <b>250</b> | 250   |
| Ordinary shares<br>in millions      |            |      |            |       |
|                                     | 2024       | 2023 | 2024       | 2023  |
|                                     |            |      | US\$m      | US\$m |
| <b>Issued and fully paid:</b>       |            |      |            |       |
| At 1 January                        | <b>289</b> | 289  | <b>72</b>  | 73    |
| Scrip issued in lieu of dividends   | <b>6</b>   | 4    | <b>1</b>   | –     |
| Repurchased and cancelled           | <b>(3)</b> | (4)  | –          | (1)   |
| At 31 December                      | <b>292</b> | 289  | <b>73</b>  | 72    |

During the year, the Company repurchased 3 million (2023: 4 million) ordinary shares from the stock market at a cost of US\$101 million (2023: US\$209 million), which was accounted for by charging nil (2023: US\$1 million) to share capital and US\$101 million (2023: US\$208 million) to revenue reserves.

## 25 Share-based long-term incentive plans

Share-based long-term incentive plans (LTIP) have been put in place to provide incentives for selected executives. Awards take the form of share options to purchase ordinary shares in the Company with exercise prices based on the then prevailing market prices; however, share awards which will vest free of payment may also be made. Awards normally vest on or after the third anniversary of the date of grant and may be subject to the achievement of performance conditions.

The Jardine Matheson Holdings Share-based Long-term Incentive Plan (the 2015 LTIP) was adopted by the Company on 5 March 2015. Since the adoption of the 2015 LTIP, awards were granted in the form of options with exercise prices based on the then prevailing market prices and no free shares were granted. No awards were granted under the 2015 LTIP in 2024 and 2023.

Prior to the adoption of the 2015 LTIP, The Jardine Matheson International Share Option Plan 2005 and The Jardine Matheson Holdings Limited Tax-Qualified Share Option Plan 2005 (formerly The Jardine Matheson Holdings Limited Approved Share Option Plan 2005) provided selected executives with options to purchase ordinary shares in the Company.

The exercise prices of the options granted in prior years were based on the average market prices for the five trading days immediately preceding the dates of grant of the options. Options normally vest in tranches over a period of three to five years, and are exercisable for up to ten years following the date of grant.

### Movements during the year:

|                | 2024                                    |                        | 2023                                    |                        |
|----------------|---|------------------------|---|------------------------|
|                | Weighted average exercise price<br>US\$ | Options<br>in millions | Weighted average exercise price<br>US\$ | Options<br>in millions |
| At 1 January   | 58.8                                    | 1.1                    | 59.9                                    | 1.3                    |
| Cancelled      | 59.2                                    | (0.2)                  | 64.5                                    | (0.2)                  |
| At 31 December | 58.7                                    | 0.9                    | 58.8                                    | 1.1                    |

The average share price during the year was US\$38.6 (2023: US\$46.8) per share.

### Outstanding at 31 December:

| Expiry date          | Exercise price<br>US\$ | Options<br>in millions |      |
|----------------------|------------------------|------------------------|------|
|                      |                        | 2024                   | 2023 |
| 2025                 | 63.4                   | 0.1                    | 0.1  |
| 2026                 | 53.9 – 56.6            | 0.5                    | 0.5  |
| 2027                 | 65.6                   | 0.1                    | 0.2  |
| 2028                 | 63.4                   | 0.2                    | 0.3  |
| Total outstanding    |                        | 0.9                    | 1.1  |
| of which exercisable |                        | 0.9                    | 1.1  |

## 26 Share premium and capital reserves

|   | Share<br>premium<br>US\$m | Capital<br>reserves<br>US\$m | Total<br>US\$m |
|---|---------------------------|------------------------------|----------------|
| <b>2024</b>   |                           |                              |                |
| At 1 January  | –                         | 22                           | <b>22</b>      |
| Capitalisation arising on scrip issued in lieu of dividends | (1)                       | –                            | <b>(1)</b>     |
| Employee share option schemes                               |                           |                              |                |
| – value of employee services                                | –                         | 9                            | <b>9</b>       |
| Transfer  | 1                         | (8)                          | <b>(7)</b>     |
| At 31 December  | <b>–</b>                  | <b>23</b>                    | <b>23</b>      |
| <b>2023</b>   |                           |                              |                |
| At 1 January  | –                         | 26                           | 26             |
| Capitalisation arising on scrip issued in lieu of dividends | (1)                       | –                            | (1)            |
| Employee share option schemes                               |                           |                              |                |
| – value of employee services                                | –                         | 10                           | 10             |
| Transfer  | 1                         | (14)                         | (13)           |
| At 31 December  | –                         | 22                           | 22             |

Capital reserves represent the value of employee services under the Group's employee share option schemes. At 31 December 2024, US\$11 million (2023: US\$13 million) related to the Company's Senior Executive Share Incentive Schemes.

## 27 Dividends

|  | 2024<br>US\$m | 2023<br>US\$m |
|--|---------------|---------------|
| Final dividend in respect of 2023 of US\$1.65 (2022: US\$1.60) per share   | <b>477</b>    | 463           |
| Interim dividend in respect of 2024 of US\$0.60 (2023: US\$0.60) per share | <b>174</b>    | 174           |
|  | <b>651</b>    | 637           |
| <b>Shareholders elected to receive scrip in respect of the following:</b>  |               |               |
| Final dividend in respect of previous year                                 | <b>156</b>    | 132           |
| Interim dividend in respect of current year                                | <b>48</b>     | 50            |
|  | <b>204</b>    | 182           |

A final dividend in respect of 2024 of US\$1.65 (2023: US\$1.65) per share amounting to a total of US\$482 million (2023: US\$477 million) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2025 Annual General Meeting and will be accounted for as an appropriation of revenue reserves in the year ending 31 December 2025. Final dividend in respect of 2023 of US\$477 million was charged to reserves in the year ended 31 December 2024.

## 28 Non-controlling interests

|                          | 2024<br>US\$m | 2023<br>US\$m |
|--------------------------|---------------|---------------|
| <b>By business:</b>      |               |               |
| Hongkong Land            | <b>13,913</b> | 14,895        |
| DFI Retail               | <b>124</b>    | 228           |
| Mandarin Oriental        | <b>335</b>    | 566           |
| Jardine Cycle & Carriage | <b>253</b>    | 337           |
| Astra                    | <b>10,815</b> | 10,895        |
|                          | <b>25,440</b> | 26,921        |

### Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

Summarised balance sheets at 31 December:

|  | Hongkong<br>Land<br>US\$m | DFI Retail<br>US\$m | Mandarin<br>Oriental<br>US\$m | Jardine<br>Cycle &<br>Carriage*<br>US\$m | Astra*<br>US\$m |
|--|---------------------------|---------------------|-------------------------------|--|-----------------|
| <b>2024</b>                            |                           |                     |                               |  |                 |
| Current                                |                           |                     |                               |  |                 |
| Assets                                 | 3,873                     | 2,870               | 337                           | 11,787                                   | 11,312          |
| Liabilities                            | (2,577)                   | (4,091)             | (322)                         | (8,526)                                  | (8,091)         |
| Total current net assets/(liabilities) | 1,296                     | (1,221)             | 15                            | 3,261                                    | 3,221           |
| Non-current                            |                           |                     |                               |  |                 |
| Assets                                 | 35,180                    | 4,402               | 3,186                         | 20,566                                   | 17,700          |
| Liabilities                            | (6,507)                   | (2,586)             | (349)                         | (5,408)                                  | (4,272)         |
| Total non-current net assets           | 28,673                    | 1,816               | 2,837                         | 15,158                                   | 13,428          |
| Net assets                             | <b>29,969</b>             | <b>595</b>          | <b>2,852</b>                  | <b>18,419</b>                            | <b>16,649</b>   |
| Non-controlling interests              | <b>28</b>                 | <b>13</b>           | <b>5</b>                      | <b>10,127</b>                            | <b>3,622</b>    |
| <b>2023</b>                            |                           |                     |                               |  |                 |
| Current                                |                           |                     |                               |  |                 |
| Assets                                 | 4,556                     | 1,386               | 598                           | 11,564                                   | 11,157          |
| Liabilities                            | (3,126)                   | (3,527)             | (625)                         | (9,197)                                  | (7,935)         |
| Total current net assets/(liabilities) | 1,430                     | (2,141)             | (27)                          | 2,367                                    | 3,222           |
| Non-current                            |                           |                     |                               |  |                 |
| Assets                                 | 37,513                    | 5,725               | 3,147                         | 20,829                                   | 17,610          |
| Liabilities                            | (6,956)                   | (2,596)             | (154)                         | (5,381)                                  | (4,629)         |
| Total non-current net assets           | 30,557                    | 3,129               | 2,993                         | 15,448                                   | 12,981          |
| Net assets                             | 31,987                    | 988                 | 2,966                         | 17,815                                   | 16,203          |
| Non-controlling interests              | 22                        | 8                   | 5                             | 9,776                                    | 3,377           |

\* Jardine Cycle & Carriage has 50.1% interest in Astra.

**28 Non-controlling interests** (continued)

Summarised profit and loss for the year ended 31 December:

|   | Hongkong<br>Land<br>US\$m | DFI Retail<br>US\$m | Mandarin<br>Oriental<br>US\$m | Jardine<br>Cycle &<br>Carriage*<br>US\$m | Astra*<br>US\$m |
|---|---------------------------|---------------------|-------------------------------|--|-----------------|
| <b>2024</b>   |                           |                     |                               |  |                 |
| Revenue   | <b>2,002</b>              | <b>8,869</b>        | <b>526</b>                    | <b>22,298</b>                            | <b>20,655</b>   |
| Profit after tax from underlying business performance             | 411                       | 205                 | 75                            | 2,729                                    | 2,664           |
| Loss after tax from non-trading items                             | (1,787)                   | (444)               | (147)                         | (178)                                    | (48)            |
| Profit/(loss) after tax   | (1,376)                   | (239)               | (72)                          | 2,551                                    | 2,616           |
| Other comprehensive income/(expense)                              | (160)                     | (48)                | 22                            | (578)                                    | 8               |
| Total comprehensive income/(expense)                              | <b>(1,536)</b>            | <b>(287)</b>        | <b>(50)</b>                   | <b>1,973</b>                             | <b>2,624</b>    |
| Total comprehensive income allocated to non-controlling interests | <b>7</b>                  | <b>5</b>            | <b>–</b>                      | <b>1,255</b>                             | <b>587</b>      |
| Dividends paid to non-controlling interests                       | <b>–</b>                  | <b>–</b>            | <b>–</b>                      | <b>(922)</b>                             | <b>(263)</b>    |
| <b>2023</b>   |                           |                     |                               |  |                 |
| Revenue   | 1,844                     | 9,170               | 558                           | 22,235                                   | 20,606          |
| Profit after tax from underlying business performance             | 737                       | 151                 | 81                            | 2,943                                    | 2,871           |
| Profit/(loss) after tax from non-trading items                    | (1,314)                   | (121)               | (446)                         | 34                                       | (37)            |
| Profit/(loss) after tax   | (577)                     | 30                  | (365)                         | 2,977                                    | 2,834           |
| Other comprehensive income/(expense)                              | (186)                     | 70                  | 52                            | 237                                      | 4               |
| Total comprehensive income/(expense)                              | (763)                     | 100                 | (313)                         | 3,214                                    | 2,838           |
| Total comprehensive income allocated to non-controlling interests | <b>4</b>                  | <b>3</b>            | <b>1</b>                      | <b>1,909</b>                             | <b>689</b>      |
| Dividends paid to non-controlling interests                       | (1)                       | –                   | –                             | (1,683)                                  | (816)           |

\* Jardine Cycle &amp; Carriage has 50.1% interest in Astra.

**28 Non-controlling interests** (continued)

Summarised cash flows at 31 December:

|   | Hongkong<br>Land<br>US\$m | DFI Retail<br>US\$m | Mandarin<br>Oriental<br>US\$m | Jardine<br>Cycle &<br>Carriage*<br>US\$m | Astra*<br>US\$m |
|---|---------------------------|---------------------|-------------------------------|--|-----------------|
| <b>2024</b>   |                           |                     |                               |  |                 |
| Cash flows from operating activities                    |                           |                     |                               |  |                 |
| Cash generated from operations                          | 902                       | 1,121               | 108                           | 3,380                                    | 3,316           |
| Interest received                                       | 65                        | 5                   | 5                             | 171                                      | 149             |
| Interest and other financing charges paid               | (246)                     | (154)               | (12)                          | (326)                                    | (245)           |
| Tax paid  | (147)                     | (51)                | (24)                          | (824)                                    | (753)           |
| Dividends from associates and joint ventures            | 97                        | 52                  | 1                             | 642                                      | 596             |
| Cash flows from operating activities                    | 671                       | 973                 | 78                            | 3,043                                    | 3,063           |
| Cash flows from investing activities                    | 81                        | (64)                | 128                           | (1,092)                                  | (1,352)         |
| Cash flows from financing activities                    | (778)                     | (930)               | (178)                         | (1,529)                                  | (1,270)         |
| Net increase/(decrease) in cash and<br>cash equivalents | (26)                      | (21)                | 28                            | 422                                      | 441             |
| Cash and cash equivalents at 1 January                  | 1,112                     | 298                 | 190                           | 2,782                                    | 2,669           |
| Effect of exchange rate changes                         | (19)                      | (3)                 | (3)                           | (116)                                    | (113)           |
| Cash and cash equivalents at 31 December                | <b>1,067</b>              | <b>274</b>          | <b>215</b>                    | <b>3,088</b>                             | <b>2,997</b>    |
| <b>2023</b>   |                           |                     |                               |  |                 |
| Cash flows from operating activities                    |                           |                     |                               |  |                 |
| Cash generated from operations                          | 1,059                     | 1,183               | 148                           | 3,048                                    | 2,959           |
| Interest received                                       | 46                        | 9                   | 9                             | 146                                      | 141             |
| Interest and other financing charges paid               | (251)                     | (153)               | (18)                          | (273)                                    | (210)           |
| Tax paid  | (287)                     | (41)                | (3)                           | (956)                                    | (854)           |
| Dividends from associates and joint ventures            | 135                       | 46                  | 5                             | 506                                      | 451             |
| Cash flows from operating activities                    | 702                       | 1,044               | 141                           | 2,471                                    | 2,487           |
| Cash flows from investing activities                    | 161                       | (95)                | 31                            | (3,039)                                  | (2,842)         |
| Cash flows from financing activities                    | (913)                     | (868)               | (215)                         | (724)                                    | (933)           |
| Net increase/(decrease) in cash and<br>cash equivalents | (50)                      | 81                  | (43)                          | (1,292)                                  | (1,288)         |
| Cash and cash equivalents at 1 January                  | 1,171                     | 214                 | 226                           | 4,018                                    | 3,896           |
| Effect of exchange rate changes                         | (9)                       | 3                   | 7                             | 56                                       | 61              |
| Cash and cash equivalents at 31 December                | 1,112                     | 298                 | 190                           | 2,782                                    | 2,669           |

\* Jardine Cycle &amp; Carriage has 50.1% interest in Astra.

The information above is before any inter-company eliminations.

## 29 Borrowings

|   | 2024            |            | 2023            |            |
|---|-----------------|------------|-----------------|------------|
|   | Carrying amount | Fair value | Carrying amount | Fair value |
|   | US\$m           | US\$m      | US\$m           | US\$m      |
| Current                                 |                 |            |                 |            |
| – bank overdrafts                       | –               | –          | 16              | 16         |
| – other bank advances                   | 1,404           | 1,404      | 1,243           | 1,243      |
| – other advances                        | 1               | 1          | 1               | 1          |
|   | 1,405           | 1,405      | 1,260           | 1,260      |
| Current portion of long-term borrowings |                 |            |                 |            |
| – bank loans                            | 1,954           | 1,954      | 3,293           | 3,293      |
| – bonds and notes                       | 1,181           | 1,181      | 960             | 960        |
| – other loans                           | 94              | 94         | –               | –          |
|   | 3,229           | 3,229      | 4,253           | 4,253      |
|   | 4,634           | 4,634      | 5,513           | 5,513      |
| Long-term borrowings                    |                 |            |                 |            |
| – bank loans                            | 6,053           | 6,025      | 5,389           | 5,367      |
| – bonds and notes                       | 5,180           | 4,760      | 5,733           | 5,304      |
| – other loans                           | 21              | 21         | 11              | 11         |
|   | 11,254          | 10,806     | 11,133          | 10,682     |
|   | 15,888          | 15,440     | 16,646          | 16,195     |

The fair values are based on market prices or are estimated using the expected future payments discounted at market interest rates ranging from 2.6% to 7.5% (2023: 2.1% to 9.2%) per annum. This is in line with the definition of 'observable current market transactions' (refer note 43) under the fair value measurement hierarchy. The fair value of current borrowings approximates their carrying amount, as the impact of discounting is not significant.

|           | 2024   | 2023   |
|-----------|--------|--------|
|           | US\$m  | US\$m  |
| Secured   | 1,006  | 1,422  |
| Unsecured | 14,882 | 15,224 |
|           | 15,888 | 16,646 |

Secured borrowings at 31 December 2024 included Hongkong Land's bank borrowings of US\$921 million (2023: US\$943 million) which were secured against its investment properties and properties for sale, and Astra's bank borrowings of US\$85 million (2023: US\$64 million) which were secured against its various assets. At 31 December 2023, Mandarin Oriental's bank borrowings of US\$415 million which were secured against its tangible assets and right-of-use assets.

**29 Borrowings** (continued)

| <i>By currency:</i>     | Weighted<br>average interest<br>rates<br>% | Fixed rate borrowings                              |               | Floating rate<br>borrowings<br>US\$m | Total<br>US\$m |
|-------------------------|--|--|---------------|--------------------------------------|----------------|
|                         |  | Weighted<br>average period<br>outstanding<br>Years | US\$m         |                                      |                |
| <b>2024</b>             |  |  |               |                                      |                |
| Chinese yuan            | 3.1  | 2.1  | 483           | 986                                  | <b>1,469</b>   |
| Hong Kong dollar        | 4.0  | 5.4  | 3,715         | 1,240                                | <b>4,955</b>   |
| Indonesian rupiah       | 6.2  | 1.7  | 4,262         | 1,441                                | <b>5,703</b>   |
| Malaysian ringgit       | 4.1  | 0.3  | 7             | 33                                   | <b>40</b>      |
| Singapore dollar        | 3.6  | 14.4   | 218           | 585                                  | <b>803</b>     |
| Thai baht               | 3.3  | –  | –             | 360                                  | <b>360</b>     |
| United Kingdom sterling | 5.7  | 3.0  | 19            | 31                                   | <b>50</b>      |
| United States dollar    | 3.7  | 6.0  | 1,612         | 883                                  | <b>2,495</b>   |
| Other                   | 4.6  | 0.1  | 3             | 10                                   | <b>13</b>      |
|                         |  |  | <b>10,319</b> | <b>5,569</b>                         | <b>15,888</b>  |
| <b>2023</b>             |  |  |               |                                      |                |
| Chinese yuan            | 3.5  | 3.0  | 187           | 1,299                                | 1,486          |
| Hong Kong dollar        | 4.2  | 5.7  | 4,013         | 1,437                                | 5,450          |
| Indonesian rupiah       | 5.9  | 1.7  | 4,189         | 1,261                                | 5,450          |
| Malaysian ringgit       | 4.3  | –  | –             | 16                                   | 16             |
| Singapore dollar        | 3.9  | 15.4   | 225           | 654                                  | 879            |
| Thai baht               | 3.6  | –  | –             | 336                                  | 336            |
| United Kingdom sterling | 3.0  | 0.3  | 51            | 13                                   | 64             |
| United States dollar    | 4.0  | 6.3  | 1,792         | 1,161                                | 2,953          |
| Other                   | 3.4  | 0.1  | 4             | 8                                    | 12             |
|                         |  |  | 10,461        | 6,185                                | 16,646         |

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

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

|                                | <b>2024</b><br>US\$m | 2023<br>US\$m |
|--------------------------------|----------------------|---------------|
| Floating rate borrowings       | <b>5,569</b>         | 6,185         |
| Fixed rate borrowings          |                      |               |
| – within one year              | <b>3,247</b>         | 2,799         |
| – between one and two years    | <b>1,441</b>         | 2,264         |
| – between two and three years  | <b>1,391</b>         | 1,022         |
| – between three and four years | <b>253</b>           | 245           |
| – between four and five years  | <b>175</b>           | 220           |
| – beyond five years            | <b>3,812</b>         | 3,911         |
|                                | <b>10,319</b>        | 10,461        |
|                                | <b>15,888</b>        | 16,646        |

## 29 Borrowings (continued)

Details of the bonds and notes outstanding at 31 December are as follows:

|                                   | Maturity    | Interest rates<br>% | Nominal values   | 2024             |                          | 2023             |                          |
|-----------------------------------|-------------|---------------------|------------------|------------------|--------------------------|------------------|--------------------------|
|                                   |             |                     |                  | Current<br>US\$m | Non-<br>current<br>US\$m | Current<br>US\$m | Non-<br>current<br>US\$m |
| <b>Hongkong Land</b>              |             |                     |                  |                  |                          |                  |                          |
| 4.625% 10-year notes              | 2024        | 4.625               | US\$400 million  | –                | –                        | 400              | –                        |
| 4.10% 15-year notes               | 2025        | 4.10                | HK\$300 million  | 39               | –                        | –                | 38                       |
| 4.50% 15-year notes               | 2025        | 4.50                | US\$600 million  | 601              | –                        | –                | 603                      |
| 3.75% 15-year notes               | 2026        | 3.75                | HK\$302 million  | –                | 39                       | –                | 39                       |
| 3.50% 3-year notes                | 2026        | 3.50                | CNY330 million   | –                | 45                       | –                | 46                       |
| 3.50% 3-year notes                | 2026        | 3.50                | CNY1,000 million | –                | 136                      | –                | 140                      |
| 4.00% 15-year notes               | 2027        | 4.00                | HK\$785 million  | –                | 101                      | –                | 100                      |
| 4.04% 15-year notes               | 2027        | 4.04                | HK\$473 million  | –                | 61                       | –                | 61                       |
| 3.95% 15-year notes               | 2027        | 3.95                | HK\$200 million  | –                | 26                       | –                | 26                       |
| 3.15% 15-year notes               | 2028        | 3.15                | HK\$300 million  | –                | 38                       | –                | 38                       |
| 4.22% 15-year notes               | 2028        | 4.22                | HK\$325 million  | –                | 41                       | –                | 41                       |
| 3.83% 10-year notes               | 2028        | 3.83                | HK\$450 million  | –                | 58                       | –                | 58                       |
| 3.75% 10-year notes               | 2028        | 3.75                | HK\$355 million  | –                | 45                       | –                | 45                       |
| 4.40% 15-year notes               | 2029        | 4.40                | HK\$400 million  | –                | 51                       | –                | 51                       |
| 2.93% 10-year notes               | 2029        | 2.93                | HK\$550 million  | –                | 71                       | –                | 70                       |
| 2.875% 10-year notes              | 2030        | 2.875               | US\$600 million  | –                | 597                      | –                | 596                      |
| 4.11% 20-year notes               | 2030        | 4.11                | HK\$800 million  | –                | 103                      | –                | 102                      |
| 2.25% 10-year notes               | 2031        | 2.25                | US\$500 million  | –                | 497                      | –                | 496                      |
| 1.957% 10-year notes              | 2031        | 1.957               | HK\$375 million  | –                | 48                       | –                | 48                       |
| 4.125% 20-year notes              | 2031        | 4.125               | HK\$200 million  | –                | 25                       | –                | 25                       |
| 4.00% 20-year notes               | 2032        | 4.00                | HK\$240 million  | –                | 31                       | –                | 30                       |
| 2.83% 12-year notes               | 2032        | 2.83                | HK\$863 million  | –                | 110                      | –                | 110                      |
| 5.25% 10-year notes               | 2033        | 5.25                | US\$400 million  | –                | 398                      | –                | 398                      |
| 4.12% 15-year notes               | 2033        | 4.12                | HK\$700 million  | –                | 90                       | –                | 89                       |
| 4.85% 10-year notes               | 2033        | 4.85                | HK\$300 million  | –                | 39                       | –                | 38                       |
| 3.67% 15-year notes               | 2034        | 3.67                | HK\$604 million  | –                | 78                       | –                | 77                       |
| 4.68% 10-year notes               | 2034        | 4.68                | HK\$300 million  | –                | 38                       | –                | –                        |
| 2.72% 15-year notes               | 2035        | 2.72                | HK\$400 million  | –                | 51                       | –                | 51                       |
| 2.90% 15-year notes               | 2035        | 2.90                | HK\$400 million  | –                | 51                       | –                | 51                       |
| 2.90% 15-year notes               | 2035        | 2.90                | HK\$400 million  | –                | 51                       | –                | 51                       |
| 2.65% 15-year notes               | 2035        | 2.65                | HK\$800 million  | –                | 102                      | –                | 101                      |
| 3.95% 20-year notes               | 2038        | 3.95                | SG\$150 million  | –                | 109                      | –                | 112                      |
| 3.45% 20-year notes               | 2039        | 3.45                | SG\$150 million  | –                | 110                      | –                | 113                      |
| 5.25% 30-year notes               | 2040        | 5.25                | HK\$250 million  | –                | 32                       | –                | 32                       |
| <b>Astra Sedaya Finance (ASF)</b> |             |                     |                  |                  |                          |                  |                          |
| Berkelanjutan IV Tahap II bonds   | 2024        | 9.20                | IDR623 billion   | –                | –                        | 39               | –                        |
| Berkelanjutan IV Tahap III bonds  | 2024        | 7.95                | IDR236 billion   | –                | –                        | 15               | –                        |
| Berkelanjutan V Tahap II bonds    | 2024        | 6.35                | IDR1,608 billion | –                | –                        | 101              | –                        |
| Berkelanjutan V Tahap III bonds   | 2024        | 5.30                | IDR1,459 billion | –                | –                        | 86               | –                        |
| Berkelanjutan V Tahap IV bonds    | 2025        | 5.70                | IDR1,972 billion | 116              | –                        | –                | 121                      |
| Berkelanjutan V Tahap V bonds     | 2025 – 2027 | 6.35 – 6.50         | IDR380 billion   | 23               | –                        | –                | 25                       |
| Berkelanjutan VI Tahap I bonds    | 2026        | 6.00                | IDR1,973 billion | –                | 122                      | 34               | 128                      |
| Berkelanjutan VI Tahap II bonds   | 2026 – 2028 | 6.40 – 6.45         | IDR812 billion   | –                | 47                       | 12               | 50                       |
| Berkelanjutan VI Tahap III bonds  | 2025 – 2029 | 6.40 – 6.65         | IDR2,500 billion | 59               | 84                       | –                | –                        |
| Berkelanjutan VI Tahap IV bonds   | 2025 – 2027 | 6.45 – 6.70         | IDR2,600 billion | 73               | 84                       | –                | –                        |

**29 Borrowings** (continued)

Details of the bonds and notes outstanding at 31 December are as follows (continued):

|  | Maturity    | Interest rates<br>% | Nominal values   | 2024             |                          | 2023             |                          |
|--|-------------|---------------------|------------------|------------------|--------------------------|------------------|--------------------------|
|  |             |                     |                  | Current<br>US\$m | Non-<br>current<br>US\$m | Current<br>US\$m | Non-<br>current<br>US\$m |
| <b>Federal International Finance (FIF)</b> |             |                     |                  |                  |                          |                  |                          |
| Berkelanjutan V Tahap I bonds              | 2024        | 6.25                | IDR872 billion   | –                | –                        | 57               | –                        |
| Berkelanjutan V Tahap II bonds             | 2024        | 5.30                | IDR775 billion   | –                | –                        | 44               | –                        |
| Berkelanjutan V Tahap III bonds            | 2025        | 5.60                | IDR807 billion   | 41               | –                        | –                | 43                       |
| Berkelanjutan V Tahap IV bonds             | 2025        | 6.80                | IDR676 billion   | 39               | –                        | –                | 40                       |
| Berkelanjutan V Tahap V bonds              | 2026        | 6.80                | IDR1,965 billion | –                | 122                      | 66               | 127                      |
| Berkelanjutan VI Tahap I bonds             | 2026        | 6.00                | IDR434 billion   | –                | 27                       | 35               | 28                       |
| Berkelanjutan VI Tahap II bonds            | 2026        | 6.75                | IDR251 billion   | –                | 16                       | 50               | 16                       |
| Berkelanjutan VI Tahap III bonds           | 2025 – 2027 | 6.40 – 6.55         | IDR2,000 billion | 67               | 52                       | –                | –                        |
| Berkelanjutan VI Tahap IV bonds            | 2025 – 2027 | 6.55 – 6.90         | IDR2,500 billion | 77               | 77                       | –                | –                        |
| <b>SAN Finance</b>                         |             |                     |                  |                  |                          |                  |                          |
| Berkelanjutan IV Tahap I bonds             | 2025        | 7.05                | IDR600 billion   | 34               | –                        | –                | 32                       |
| Berkelanjutan IV Tahap II bonds            | 2026 – 2028 | 7.00 – 7.25         | IDR1,150 billion | –                | 62                       | 21               | 65                       |
| Berkelanjutan IV Tahap III bonds           | 2025 – 2027 | 6.70 – 7.00         | IDR750 billion   | 12               | 32                       | –                | –                        |
| <b>Jardine Matheson</b>                    |             |                     |                  |                  |                          |                  |                          |
| 2031 bonds                                 | 2031        | 2.50                | US\$800 million  | –                | 791                      | –                | 790                      |
| 2036 bonds                                 | 2036        | 2.875               | US\$400 million  | –                | 392                      | –                | 392                      |
|  |             |                     |                  | <b>1,181</b>     | <b>5,180</b>             | 960              | 5,733                    |

All notes and bonds were unsecured at 31 December 2024 and 2023.

The ASF bonds, FIF bonds and SAN Finance bonds were issued by wholly-owned subsidiaries of Astra.

The movements in borrowings are as follows:

|                                 | Bank<br>overdrafts<br>US\$m | Long-term<br>borrowings<br>US\$m | Short-term<br>borrowings<br>US\$m | Total<br>US\$m |
|---------------------------------|-----------------------------|----------------------------------|-----------------------------------|----------------|
| <b>2024</b>                     |                             |                                  |                                   |                |
| At 1 January                    | 16                          | 11,133                           | 5,497                             | 16,646         |
| Exchange differences            | –                           | (152)                            | (159)                             | (311)          |
| New subsidiaries                | –                           | 10                               | 25                                | 35             |
| Amortisation of borrowing costs | –                           | 7                                | 10                                | 17             |
| Transfer                        | –                           | (4,457)                          | 4,457                             | –              |
| Change in fair value            | –                           | (2)                              | –                                 | (2)            |
| Change in bank overdrafts       | (16)                        | –                                | –                                 | (16)           |
| Drawdown of borrowings          | –                           | 8,191                            | 2,400                             | 10,591         |
| Repayment of borrowings         | –                           | (3,476)                          | (7,596)                           | (11,072)       |
| At 31 December                  | –                           | 11,254                           | 4,634                             | 15,888         |

**29 Borrowings** (continued)

|                                 | Bank overdrafts<br>US\$m | Long-term borrowings<br>US\$m | Short-term borrowings<br>US\$m | Total<br>US\$m |
|---------------------------------|--------------------------|-------------------------------|--------------------------------|----------------|
| <b>2023</b>                     |                          |                               |                                |                |
| At 1 January                    | 19                       | 12,073                        | 4,144                          | 16,236         |
| Exchange differences            | (1)                      | (1)                           | (6)                            | (8)            |
| New subsidiaries                | –                        | –                             | 26                             | 26             |
| Disposals                       | –                        | (12)                          | (10)                           | (22)           |
| Amortisation of borrowing costs | –                        | 6                             | 10                             | 16             |
| Transfer                        | –                        | (4,507)                       | 4,507                          | –              |
| Change in fair value            | –                        | 2                             | –                              | 2              |
| Change in bank overdrafts       | (2)                      | –                             | –                              | (2)            |
| Drawdown of borrowings          | –                        | 7,273                         | 2,600                          | 9,873          |
| Repayment of borrowings         | –                        | (3,701)                       | (5,774)                        | (9,475)        |
| At 31 December                  | 16                       | 11,133                        | 5,497                          | 16,646         |

**30 Lease liabilities**

|                              | <b>2024</b><br>US\$m | 2023<br>US\$m |
|------------------------------|----------------------|---------------|
| At 1 January                 | <b>3,720</b>         | 3,723         |
| Exchange differences         | <b>(66)</b>          | 2             |
| Additions                    | <b>426</b>           | 348           |
| Disposals                    | <b>(39)</b>          | (240)         |
| Classified as held for sale  | <b>–</b>             | (20)          |
| Modifications to lease terms | <b>350</b>           | 763           |
| Lease payments               | <b>(1,020)</b>       | (986)         |
| Interest expense             | <b>143</b>           | 130           |
| At 31 December               | <b>3,514</b>         | 3,720         |
| Non-current                  | <b>2,773</b>         | 2,966         |
| Current                      | <b>741</b>           | 754           |
|                              | <b>3,514</b>         | 3,720         |

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

The Group is not exposed to any residual guarantees in respect of the leases entered into at 31 December 2024 and 2023.

The Group has not entered into any material lease contracts which have not commenced at 31 December 2024 and 2023.

### 31 Creditors

|   | 2024<br>US\$m | 2023<br>US\$m |
|---|---------------|---------------|
| Trade creditors   |               |               |
| – third parties   | 4,055         | 4,294         |
| – associates  | 85            | 91            |
| – joint ventures  | 234           | 286           |
|   | 4,374         | 4,671         |
| Accruals  | 1,973         | 2,154         |
| Other amounts due to associates                                   | 289           | 297           |
| Other amounts due to joint ventures                               | 1,187         | 1,144         |
| Rental and other refundable deposits                              | 306           | 315           |
| Contingent consideration payable                                  | 17            | 11            |
| Derivative financial instruments ( <i>refer notes 23 and 34</i> ) | 1,123         | 70            |
| Other creditors   | 721           | 718           |
| Financial liabilities   | 9,990         | 9,380         |
| Contract liabilities ( <i>refer note 3</i> )                      | 867           | 1,317         |
| Insurance contract liabilities                                    | 888           | 921           |
| Rental income received in advance                                 | 32            | 28            |
| Other   | 212           | 231           |
|   | 11,989        | 11,877        |
| Non-current   | 1,154         | 1,119         |
| Current   | 10,835        | 10,758        |
|   | 11,989        | 11,877        |
| <b><i>Analysis by geographical area of operation:</i></b>         |               |               |
| China   | 5,701         | 5,265         |
| Southeast Asia  | 5,897         | 6,187         |
| Rest of the world   | 391           | 425           |
|   | 11,989        | 11,877        |

Other amounts due to associates and other amounts due to joint ventures included distributions of surplus cash from Hongkong Land's associates and joint ventures of US\$289 million (*2023: US\$297 million*) and US\$1,046 million (*2023: US\$1,006 million*), respectively, which are in the form of advances and are interest free, unsecured and repayable based on contractual terms (*refer note 15*).

Derivative financial instruments are stated at fair value and included US\$1,051 million fair value loss on the forward contract associated with the divestment of interest in Yonghui (*refer note 23*). Other creditors are stated at amortised cost. The fair values of these creditors approximate their carrying amounts.

## 32 Provisions

|  | Motor vehicle warranties<br>US\$m | Closure cost provisions<br>US\$m | Reinstatement and restoration costs<br>US\$m | Statutory employee entitlements<br>US\$m | Others<br>US\$m | Total<br>US\$m |
|--|-----------------------------------|----------------------------------|--|--|-----------------|----------------|
| <b>2024</b>  |                                   |                                  |  |  |                 |                |
| At 1 January   | 72                                | 13                               | 209  | 199                                      | 69              | <b>562</b>     |
| Exchange differences                                     | (2)                               | –                                | (1)  | (9)                                      | (1)             | <b>(13)</b>    |
| Additional provisions                                    | 5                                 | 9                                | 16   | 58                                       | 23              | <b>111</b>     |
| Interest on discounted liability in provisions           | –                                 | –                                | 1  | –  | –               | <b>1</b>       |
| Loss on remeasurement of statutory employee entitlements | –                                 | –                                | –  | 2  | –               | <b>2</b>       |
| Unused amounts reversed                                  | (14)                              | (3)                              | (3)  | –  | –               | <b>(20)</b>    |
| Utilised   | (3)                               | (2)                              | (5)  | (3)                                      | (17)            | <b>(30)</b>    |
| At 31 December   | <b>58</b>                         | <b>17</b>                        | <b>217</b>                                   | <b>247</b>                               | <b>74</b>       | <b>613</b>     |
| Non-current  | –                                 | 2                                | 180  | 215                                      | 14              | <b>411</b>     |
| Current  | 58                                | 15                               | 37   | 32                                       | 60              | <b>202</b>     |
|  | <b>58</b>                         | <b>17</b>                        | <b>217</b>                                   | <b>247</b>                               | <b>74</b>       | <b>613</b>     |
| <b>2023</b>  |                                   |                                  |  |  |                 |                |
| At 1 January   | 71                                | 25                               | 209  | 171                                      | 35              | 511            |
| Exchange differences                                     | 1                                 | –                                | –  | 3  | 1               | 5              |
| New subsidiaries   | –                                 | –                                | 1  | –  | –               | 1              |
| Additional provisions                                    | 4                                 | 7                                | 18   | 27                                       | 46              | 102            |
| Disposals  | –                                 | –                                | (12)   | –  | –               | (12)           |
| Unused amounts reversed                                  | (3)                               | (17)                             | (6)  | –  | –               | (26)           |
| Utilised   | (1)                               | (2)                              | (1)  | (2)                                      | (13)            | (19)           |
| At 31 December   | 72                                | 13                               | 209  | 199                                      | 69              | 562            |
| Non-current  | –                                 | 1                                | 171  | 171                                      | 16              | 359            |
| Current  | 72                                | 12                               | 38   | 28                                       | 53              | 203            |
|  | 72                                | 13                               | 209  | 199                                      | 69              | 562            |

Motor vehicle warranties are estimated liabilities that fall due under the warranty terms offered on sale of new and used vehicles beyond that which are reimbursed by the manufacturers.

Closure cost provisions are established when legal or constructive obligations arise on closure or disposal of businesses.

Reinstatement and restoration costs comprised the estimated costs, to be incurred by the Group as lessees, in dismantling and removing the underlying assets, restoring the sites on which they are located or restoring the underlying assets to the condition required by the terms and conditions of the leases.

Statutory employee entitlements include long service leave and jubilee awards for employees.

Other provisions principally comprise provisions in respect of indemnities on disposal of businesses and legal claims.

### 33 Notes to Consolidated Cash Flow Statement

(a) Cash generated from operations

|  | 2024<br>US\$m | 2023<br>US\$m  |
|--|---------------|----------------|
| <b>By nature:</b>  |               |                |
| Operating profit   | 1,166         | 2,435          |
| Adjustments for:   |               |                |
| Depreciation and amortisation ( <i>refer note 33(b)</i> )        | 2,174         | 2,078          |
| Change in fair value of investment properties                    | 2,213         | 1,779          |
| Loss/(profit) on sale of subsidiaries                            | 92            | (7)            |
| Loss/(profit) on sale of associates and joint ventures           | 76            | (39)           |
| Loss relating to divestment in an associate                      | 114           | –              |
| Loss on sale of investment properties                            | 14            | –              |
| (Profit)/loss on sale of right-of-use assets                     | (5)           | 1              |
| Loss on sale of intangible assets                                | 1             | 2              |
| Profit on sale of tangible assets                                | (97)          | (132)          |
| Loss on sale of repossessed collateral of finance companies      | 62            | 55             |
| Fair value gain on other investments                             | (2)           | (33)           |
| Fair value gain on agricultural produce                          | (7)           | (2)            |
| Impairment of intangible assets                                  | 169           | 240            |
| Impairment of tangible assets                                    | 12            | 9              |
| Impairment of right-of-use assets                                | 5             | 10             |
| Impairment of debtors  | 115           | 123            |
| Write down of properties for sale                                | 147           | 29             |
| Write down of stocks and work in progress                        | 55            | 45             |
| Reversal of write down of stocks and work in progress            | (28)          | (28)           |
| Gain on lease modification and termination                       | (5)           | (3)            |
| Gain on sale and leaseback transactions                          | (2)           | –              |
| Net provisions   | 112           | 80             |
| Net foreign exchange loss/(gain)                                 | 64            | (3)            |
| Gain on bargain purchase on acquisition of businesses            | –             | (32)           |
| Amortisation of borrowing costs for financial services companies | 8             | 8              |
| Options granted under employee share option schemes              | 12            | 12             |
|  | <b>5,299</b>  | <b>4,192</b>   |
|  | <b>6,465</b>  | <b>6,627</b>   |
| Change in working capital:                                       |               |                |
| Increase in concession rights                                    | (22)          | (31)           |
| Decrease in properties for sale                                  | 614           | 10             |
| Decrease/(increase) in stocks and work in progress               | 59            | (588)          |
| Decrease/(increase) in debtors                                   | 311           | (702)          |
| (Decrease)/increase in creditors and provisions                  | (1,824)       | 239            |
| Increase/(decrease) in net pension liabilities                   | 34            | (6)            |
|  | <b>(828)</b>  | <b>(1,078)</b> |
|  | <b>5,637</b>  | <b>5,549</b>   |

**33 Notes to Consolidated Cash Flow Statement** (continued)

## (b) Depreciation and amortisation

|                          | 2024         | 2023         |
|--------------------------|--------------|--------------|
|                          | US\$m        | US\$m        |
| <b>By business:</b>      |              |              |
| Jardine Pacific          | 138          | 143          |
| Jardine Motor Interests  | –            | 2            |
| Hongkong Land            | 14           | 18           |
| DFI Retail               | 838          | 827          |
| Mandarin Oriental        | 43           | 51           |
| Jardine Cycle & Carriage | 26           | 23           |
| Astra                    | 1,115        | 1,014        |
|                          | <b>2,174</b> | <b>2,078</b> |

## (c) Purchase of subsidiaries

|  | 2023       |
|--|------------|
|  | Fair value |
|  | US\$m      |
| Non-current assets                                 | (526)      |
| Current assets                                     | (371)      |
| Non-current liabilities                            | 137        |
| Current liabilities                                | 164        |
| Non-controlling interests                          | 38         |
| Fair value of identifiable net assets acquired     | (558)      |
| Goodwill   | (45)       |
| Gain on bargain purchase                           | 32         |
| Total consideration                                | (571)      |
| Carrying value of associates and joint ventures    | 102        |
| Cash and cash equivalents of subsidiaries acquired | 91         |
| Net cash outflow                                   | (378)      |

Net cash outflow for acquisition of subsidiaries in 2023 included a total of US\$285 million for Astra's acquisition of 67% of PT Anugerah Surya Pasific Resources (ASPR), 70% of PT Stargate Pasific Resources (SPR) and 70% of PT Stargate Mineral Asia (SMA), which engage in nickel mining and processing in Indonesia. ASPR has 30% interest in each of SPR and SMA, thus the Group has direct and indirect attributable interest totalling 90% in each of SPR and SMA. In addition, Astra acquired a 100% interest in PT Tokobagus, a company operating a leading online used car platform in Indonesia under the OLX brand, for US\$63 million.

Goodwill in 2023 mainly arose from the acquisition of PT Tokobagus, which provided synergy with the Group's existing automotive business creating a leading used car omnichannel platform and further expand the automotive value chain. The goodwill was not expected to be deductible for tax purposes.

**33 Notes to Consolidated Cash Flow Statement** (continued)

## (c) Purchase of subsidiaries (continued)

The fair values of the identifiable assets and liabilities at the acquisition dates of the subsidiaries acquired by Astra during 2023 were finalised in 2024, resulting in a reduction in net fair value of US\$58 million. A corresponding goodwill on acquisition of subsidiaries was recognised. Adjustments to the provisional fair values were reflected as 'purchase price adjustment' in the respective assets and liabilities movements (*refer notes 10, 11, 12 and 18*).

A summary of the changes is as follows:

|                         | Increase/(decrease)<br>in fair values<br>US\$m |
|-------------------------|--|
| Non-current assets      | (73)   |
| Current assets          | (1)  |
| Non-current liabilities | 15   |
| Current liabilities     | 1  |
|                         | <u>(58)</u>                                    |

(d) Purchase of associates and joint ventures in 2024 included US\$98 million for Jardine Cycle & Carriage's additional interest in Refrigeration Electrical Engineering Corporation; US\$87 million, US\$27 million and US\$22 million for Astra's acquisition of a 20% interest in PT Supreme Energy Rantau Dedap and a 49% interest in PT Saka Surya Wisesa, and capital injection into PT Bank Jasa Jakarta, respectively.

Purchase in 2023 included US\$287 million for Hongkong Land's investment on the Chinese mainland; US\$14 million for Jardine Cycle & Carriage's additional interest in Refrigeration Electrical Engineering Corporation; US\$616 million, US\$53 million, US\$25 million and US\$99 million for Astra's acquisition of a 20% interest in Nickel Industries, a 49.6% interest in PT Supreme Energy Sriwijaya, a 25% interest in PT Equinix Indonesia JKT and an additional 14% interest in Halodoc (after which became a 21%-held associate), respectively.

(e) Purchase of other investments in 2024 included US\$40 million for DFI Retail's subscription of listed securities; US\$288 million for Astra's acquisition of securities in relation to its financial services businesses and US\$76 million for Corporate's additional investments in limited partnership investment funds.

Purchase in 2023 included US\$357 million for Jardine Cycle & Carriage's subscription to THACO's convertible bonds and US\$285 million for Astra acquisition of securities in relation to its financial services businesses.

(f) Advances to and repayments to associates and joint ventures in 2024 comprised Hongkong Land's advances to and repayments to its property joint ventures.

Advances to and repayments to associates and joint ventures in 2023 included Hongkong Land's advances to and repayments to its property joint ventures of US\$434 million and Mandarin Oriental's advance to its associate hotel of US\$20 million.

**33 Notes to Consolidated Cash Flow Statement** (continued)

(g) Repayments from and advances from associates and joint ventures in 2024 comprised Hongkong Land's repayments from and advances from its property joint ventures.

Repayments from and advances from associates and joint ventures in 2023 included Hongkong Land's repayments from and advances from its property joint ventures of US\$1,184 million and Mandarin Oriental's repayments from its associate and joint venture hotels of US\$67 million.

(h) Sale of subsidiaries

|   | <b>2024</b> | 2023  |
|---|-------------|-------|
|   | US\$m       | US\$m |
| Non-current assets                                    | <b>378</b>  | 441   |
| Current assets  | <b>17</b>   | 467   |
| Non-current assets held for sale                      | <b>–</b>    | 50    |
| Non-current liabilities                               | <b>(36)</b> | (232) |
| Current liabilities                                   | <b>(30)</b> | (466) |
| Non-controlling interests                             | <b>–</b>    | (3)   |
| Net assets  | <b>329</b>  | 257   |
| Cumulative exchange translation losses                | <b>69</b>   | 118   |
| (Loss)/profit on disposal                             | <b>(92)</b> | 7     |
| Deferred gain on sale and leaseback of properties     | <b>12</b>   | –     |
| Transaction costs and other payables                  | <b>3</b>    | 47    |
| Sales proceeds  | <b>321</b>  | 429   |
| Cash and cash equivalents of subsidiaries disposed of | <b>(4)</b>  | (64)  |
| Net cash inflow                                       | <b>317</b>  | 365   |

Net cash inflow for sale of subsidiaries in 2024 mainly included US\$57 million and US\$37 million from DFI Retail's sale of property holding companies in Taiwan and Singapore, respectively; and US\$216 million from Mandarin Oriental's sale of the Paris Hotel.

Net cash inflow in 2023 comprised US\$359 million inflow from the Group's sale of its automotive dealership business in the United Kingdom and US\$29 million inflow from Hongkong Land's sale of a property interest in Vietnam; offset by US\$23 million cash outflow from DFI Retail's divestment of its Malaysia grocery retail business.

(i) Sale of associates and joint ventures in 2024 included US\$39 million for DFI Retail's sale of Retail Technology Asia Limited and US\$344 million for Jardine Cycle & Carriage's sale of Siam City Cement.

Sale in 2023 mainly included US\$126 million for Jardine Pacific's sale of Greatview Aseptic Packaging Company.

(j) Sale of other investments in 2024 comprised US\$171 million and US\$82 million sale of securities in Astra's financial services businesses and Corporate, respectively.

Sale in 2023 mainly included sale of securities in Astra's financial services businesses.

**33 Notes to Consolidated Cash Flow Statement** (continued)

(k) Sale of tangible assets in 2024 mainly included US\$105 million for Mandarin Oriental's sale of the retail units adjoining the Paris Hotel, with a deferred consideration of US\$54 million receivable in 2027 (*refer note 17*); and US\$27 million for Jardine Cycle & Carriage's sale for its properties in Malaysia under a sale and leaseback arrangement.

Sale in 2023 included US\$106 million for DFI Retail's sale and sale and leaseback of properties in Singapore, Malaysia and Indonesia; and US\$225 million for Jardine Cycle & Carriage's sale of its properties in Singapore under a sale and leaseback arrangement.

## (l) Change in interests in other subsidiaries

|                                    | <b>2024</b>  | 2023  |
|------------------------------------|--------------|-------|
|                                    | US\$m        | US\$m |
| Increase in attributable interests |              |       |
| – Jardine Cycle & Carriage         | <b>(527)</b> | (136) |
| – Mandarin Oriental                | <b>(172)</b> | (18)  |
| – Hongkong Land                    | –            | (83)  |
| – other                            | <b>(1)</b>   | (3)   |
|                                    | <b>(700)</b> | (240) |

## (m) Cash outflows for leases

|   | <b>2024</b>    | 2023    |
|---|----------------|---------|
|   | US\$m          | US\$m   |
| Lease rentals paid                                    | <b>(1,229)</b> | (1,213) |
| Additions to leasehold land under right-of-use assets | <b>(25)</b>    | (31)    |
|   | <b>(1,254)</b> | (1,244) |
| The above cash outflows are included in               |                |         |
| – operating activities                                | <b>(352)</b>   | (357)   |
| – investing activities                                | <b>(25)</b>    | (31)    |
| – financing activities                                | <b>(877)</b>   | (856)   |
|   | <b>(1,254)</b> | (1,244) |

## (n) Analysis of balances of cash and cash equivalents

|  | <b>2024</b>  | 2023  |
|--|--------------|-------|
|  | US\$m        | US\$m |
| Cash and bank balances excluding restricted cash ( <i>refer note 22</i> )                  | <b>4,838</b> | 4,798 |
| Bank overdrafts ( <i>refer note 29</i> )   | –            | (16)  |
| Cash and bank balances of subsidiaries classified as held of sale ( <i>refer note 23</i> ) | <b>4</b>     | 14    |
|  | <b>4,842</b> | 4,796 |

### 34 Derivative financial instruments

The fair values of derivative financial instruments at 31 December are as follows:

|   | 2024                         |                              | 2023                         |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | Positive fair value<br>US\$m | Negative fair value<br>US\$m | Positive fair value<br>US\$m | Negative fair value<br>US\$m |
| Designated as cash flow hedges              |                              |                              |                              |                              |
| – forward foreign exchange contracts        | 8                            | 2                            | 2                            | 4                            |
| – interest rate swaps                       | 3                            | 1                            | 18                           | –                            |
| – cross currency swaps                      | 40                           | 67                           | 51                           | 66                           |
|   | 51                           | 70                           | 71                           | 70                           |
| Designated as fair value hedges             |                              |                              |                              |                              |
| – forward contract ( <i>refer note 23</i> ) | –                            | 1,051                        | –                            | –                            |
| – cross currency swaps                      | –                            | –                            | 1                            | –                            |
|   | –                            | 1,051                        | 1                            | –                            |
| Non-qualifying as hedges                    |                              |                              |                              |                              |
| – forward foreign exchange contracts        | 8                            | 2                            | 1                            | –                            |

#### Forward foreign exchange contracts

The contract amounts of the outstanding forward foreign exchange contracts at 31 December 2024 were US\$1,362 million (2023: US\$522 million). Included in the contract amounts outstanding at 31 December 2024 was US\$613 million related to the divestment of interest in Yonghui with a fair value gain of US\$8 million (*refer note 23*).

#### Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2024 were US\$624 million (2023: US\$1,010 million).

At 31 December 2024, the fixed interest rates relating to interest rate swaps varied from 2.0% to 4.7% (2023: 0.7% to 4.7%) per annum.

The fair values of interest rate swaps at 31 December 2024 were based on the estimated cash flows discounted at market rates ranging from 0.9% to 4.6% (2023: 0.9% to 6.0%) per annum.

#### Cross currency swaps

The contract amounts of the outstanding cross currency swap contracts at 31 December 2024 were US\$2,835 million (2023: US\$3,603 million).

#### Forward contract

The contract amount of outstanding forward contract at 31 December 2024 was US\$616 million, and related to the divestment of interest in Yonghui (*refer note 23*).

### 35 Commitments

|                                       | 2024<br>US\$m | 2023<br>US\$m |
|---------------------------------------|---------------|---------------|
| <b>Capital commitments:</b>           |               |               |
| Authorised not contracted             |               |               |
| – capital expenditure and investments | 1,197         | 739           |
| Contracted not provided               |               |               |
| – investments in joint ventures       | 716           | 745           |
| – capital expenditure and investments | 642           | 799           |
|                                       | 1,358         | 1,544         |
|                                       | 2,555         | 2,283         |

At 31 December 2024 and 2023, there were no short-term lease commitments which were significantly dissimilar to those relating to the portfolio of short-term leases for which expenses were recognised for the years ended 31 December 2024 and 2023.

Total future sublease payments receivable amounted to US\$10 million at 31 December 2024 (2023: US\$2 million).

### 36 Contingent liabilities

Following the acquisition of the 15% of Jardine Strategic not previously owned by the Company and its wholly-owned subsidiaries, which was effected on 14 April 2021, a number of former Jardine Strategic shareholders are seeking an appraisal of the fair value of their shares in Jardine Strategic by the Bermuda court, relying upon the process referred to in the shareholder circular issued in connection with the acquisition. These shareholders claim the consideration of US\$33 per share that Jardine Strategic considered to be fair value for its shares, and that all shareholders have already received, did not represent fair value. Although the proceedings were commenced in April 2021, they are still ongoing. It is anticipated that the court appraisal process will not be concluded for at least a further 12 months and will likely extend further. The Board believes that the US\$33 per share that was paid represented fair value to Jardine Strategic minority shareholders and is of the opinion that no provision is required in relation to these claims.

Various Group companies are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the Directors are of the opinion that adequate provisions have been made.

### 37 Related party transactions

In the normal course of business the Group undertakes a variety of transactions with certain of its associates and joint ventures.

|  | 2024         | 2023  |
|--|--------------|-------|
|  | US\$m        | US\$m |
| Sales to associates and joint ventures                         |              |       |
| – motor vehicles and spare parts                               | 759          | 810   |
| – coal mining and heavy equipment                              | 622          | 977   |
| – crude palm oil   | 280          | 440   |
|  | <b>1,661</b> | 2,227 |
| Purchases from associates and joint ventures                   |              |       |
| – motor vehicles and spare parts                               | 5,925        | 6,484 |
| – ready-to-eat products  | 46           | 47    |
|  | <b>5,971</b> | 6,531 |
| Services received from associates and joint ventures           |              |       |
| – point-of-sale system implementation and consultancy services | 20           | 17    |

The Group manages six (2023: six) associate and joint venture hotels. Management fees received by the Group in 2024 from these managed hotels amounted to US\$19 million (2023: US\$14 million).

The Group has engaged one of its joint ventures in the construction business for the redevelopment of a Group's commercial property in Hong Kong. The value of works completed amounted to US\$164 million as of 31 December 2024 (2023: US\$60 million).

Amounts of outstanding balances with associates and joint ventures are included in debtors and creditors, as appropriate (refer notes 17 and 31).

Details of Directors' remuneration (being the key management personnel compensation) are shown on page [ ] under the heading of 'Remuneration Outcomes in 2024'.

The Company's Directors' remuneration includes payments made by a trust created in 1947 (the 1947 Trust) which represents distributions from the income of the 1947 Trust. The 1947 Trust's income consists solely of ordinary dividends it receives on its shareholding in the Company. The 1947 Trust was established and acts independently of, and is not controlled by the Company. Accordingly, the dividends that the Company paid to the 1947 Trust on its shareholding are accounted for as ordinary dividends and the amounts paid to the Company's Directors by the 1947 Trust are not accounted for as expenses of the Group. However, as the amounts paid to the Directors related to their service to the Company and depends on their performance, they have been included as part of the disclosure of Directors' remuneration.

### 38 Summarised balance sheet of the Company

Included below is certain summarised balance sheet information of the Company disclosed in accordance with Bermuda law.

|   | 2024         | 2023  |
|---|--------------|-------|
|   | US\$m        | US\$m |
| Subsidiaries  | <b>1,493</b> | 1,659 |
| Current assets  | <b>962</b>   | 586   |
| <b>Total assets</b>   | <b>2,455</b> | 2,245 |
| Share capital ( <i>refer note 24</i> )                      | <b>73</b>    | 72    |
| Share premium and capital reserves ( <i>refer note 26</i> ) | <b>11</b>    | 13    |
| Revenue and other reserves                                  | <b>1,697</b> | 1,481 |
| Shareholders' funds   | <b>1,781</b> | 1,566 |
| Current liabilities   | <b>674</b>   | 679   |
| <b>Total equity and liabilities</b>                         | <b>2,455</b> | 2,245 |

Subsidiaries are shown at cost less amounts provided.

### 39 Post balance sheet event

On 26 February 2025, DFI Retail completed the divestment of its interest in Yonghui (*refer note 23*).

## 40 Principal subsidiaries

The Group's principal subsidiaries at 31 December 2024 are set out below:

|  | Place of incorporation/<br>principal place of<br>business | Nature of business  | Attributable<br>interests |           | Proportion of ordinary<br>shares and voting powers at<br>31 December 2024 held by |                                   |
|--|---|---|---------------------------|-----------|---|-----------------------------------|
|  |   |   | 2024<br>%                 | 2023<br>% | the Group<br>%  | non-controlling<br>interests<br>% |
| DFI Retail Group Holdings Ltd          | Bermuda/<br>China and<br>Southeast Asia                   | Food, health and beauty,<br>7-Eleven, IKEA,<br>restaurants and other<br>retailing   | <b>78</b>                 | 78        | <b>78</b>   | <b>22</b>                         |
| Hongkong Land Holdings Ltd             | Bermuda/<br>China and<br>Southeast Asia                   | Property investment,<br>management &<br>development   | <b>53</b>                 | 53        | <b>53</b>   | <b>47</b>                         |
| Jardine Cycle & Carriage Ltd           | Singapore/<br>Southeast Asia                              | A 50.1% interest in PT<br>Astra International Tbk,<br>automotive and holding  | <b>85</b>                 | 78        | <b>85</b>   | <b>15</b>                         |
| Jardine Matheson Ltd                   | Bermuda/<br>Hong Kong                                     | Group management  | <b>100</b>                | 100       | <b>100</b>  | -                                 |
| Jardine Pacific Holdings Ltd           | Bermuda/<br>China and<br>Southeast Asia                   | Engineering &<br>construction, transport<br>services, automotive<br>and restaurants   | <b>100</b>                | 100       | <b>100</b>  | -                                 |
| Jardine Strategic Ltd                  | Bermuda/<br>China and<br>Southeast Asia                   | Holding   | <b>100</b>                | 100       | <b>100</b>  | -                                 |
| Mandarin Oriental<br>International Ltd | Bermuda/<br>Worldwide                                     | Hotel investment &<br>management  | <b>88</b>                 | 80        | <b>88</b>   | <b>12</b>                         |
| Matheson & Co., Ltd                    | England/<br>United Kingdom                                | Holding and<br>management   | <b>100</b>                | 100       | <b>100</b>  | -                                 |
| PT Astra International Tbk             | Indonesia/<br>Indonesia                                   | Automotive, financial<br>services, heavy<br>equipment, mining and<br>construction and energy,<br>agribusiness,<br>infrastructure and<br>logistics, information<br>technology and property | <b>42</b>                 | 39        | <b>50</b>   | <b>50</b>                         |

All subsidiaries are included in the consolidation.

Attributable interests represent the proportional holdings of the Company, held directly or through its subsidiaries, in the issued share capitals of the respective companies, after the deduction of any shares held by the trustees of the employee share option schemes of any such company and any shares in any such company owned by its wholly-owned subsidiaries.

## 41 Material accounting policies

### ***Basis of consolidation***

(i) The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the Group's interests in associates and joint ventures.

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

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

All material intercompany transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated. The cost of and related income arising from shares held in the Company by subsidiaries are eliminated from shareholders' funds and non-controlling interests, and profit, respectively.

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

Associates and joint ventures are included on the equity basis of accounting.

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

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

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

### ***Foreign currencies***

Transactions in foreign currencies are accounted for at the exchange rates ruling at the transaction dates.

Assets and liabilities of subsidiaries, associates and joint ventures, together with all other monetary assets and liabilities expressed in foreign currencies, are translated into United States dollars at the rates of exchange ruling at the year end. Results expressed in foreign currencies are translated into United States dollars at the average rates of exchange ruling during the year, which approximate the exchange rates at the dates of the transactions.

Exchange differences arising from the retranslation of the net investment in foreign subsidiaries, associates and joint ventures, and of financial instruments which are designated as hedges of such investments, are recognised in other comprehensive income and accumulated in equity under exchange reserves. On the disposal of these investments, such exchange differences are recognised in profit and loss. Exchange differences on other investments measured at fair value through profit and loss are recognised in profit and loss as part of the gains and losses arising from changes in their fair value. Exchange differences on other investments measured at fair value through other comprehensive income are recognised in other comprehensive income as part of the gains and losses arising from changes in their fair value. All other exchange differences are recognised in profit and loss.

Goodwill and fair value adjustments arising on acquisition of a foreign entity after 1 January 2003 are treated as assets and liabilities of the foreign entity and translated into United States dollars at the rate of exchange ruling at the year end.

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

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

### ***Intangible assets***

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

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

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

(iii) Concession rights are operating rights for toll roads under service concession arrangements. Toll road concession rights are stated at cost, less accumulated amortisation and impairment. Toll road concession rights are amortised using the units of production (volume of traffic) method from the date of toll roads are ready for use. The amortisation is calculated based on estimated volume of traffic. Changes in estimated volume of traffic are accounted for, on a prospective basis, from the beginning of the period in which the change occurs.

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

(v) Other intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated on the straight line basis to allocate the cost of intangible assets over their estimated useful lives.

**Tangible fixed assets and depreciation**

Freehold properties comprised land and buildings. Freehold land is stated at cost less any impairment. No depreciation is provided on freehold land as it is deemed to have an indefinite life. Buildings on freehold and leasehold land are stated at cost less any accumulated depreciation and impairment. Mining properties, which are contractual rights to mine and own coal and gold reserves in specified concession areas, and other tangible fixed assets are stated at cost less amounts provided for depreciation. Cost of mining properties includes expenditure to restore and rehabilitate coal and gold mining areas following the completion of production.

Depreciation of tangible fixed assets other than mining properties is calculated on the straight-line basis to allocate the cost or valuation of each asset to its residual value over its estimated useful life. The residual values and useful lives are reviewed at each balance sheet date. The estimated useful lives are as follows:

|  |  |
|--|--|
| Buildings  |  |
| – hotels   | 21 to 150 years                                |
| – others   | 20 to 61 years                                 |
| Surface, finishes and services of hotel properties | 20 to 30 years                                 |
| Leasehold improvements                             | shorter of unexpired lease term or useful life |
| Plant and machinery                                | 2 to 25 years                                  |
| Furniture, equipment and motor vehicles            | 2 to 25 years                                  |

Mining properties are depreciated using the unit of production method.

Where the carrying amount of a tangible fixed asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The profit or loss on disposal of tangible fixed assets is recognised by reference to their carrying amount.

**Leases**

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

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

**(i) As a lessee**

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

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

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

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

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

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

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

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

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

(ii) As a lessor

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

### ***Investment properties***

Properties including those under operating leases which are held for long-term rental yields or capital gains are classified and accounted for as investment properties, but the business model does not necessarily envisage that the properties will be held for their entire useful life. Investment properties are carried at fair value, representing estimated open market value determined annually by independent qualified valuers who have recent experience in the location and category of the investment property being valued. The market value of commercial properties are calculated on the discounted net rental income allowing for reversionary potential. The market value of residential properties are arrived at by reference to market evidence of transaction prices for similar properties. Changes in fair value are recognised in profit and loss.

Owner-occupied portions of multi-purpose properties are accounted for as tangible fixed assets unless the portion is considered insignificant, in which case this portion is treated as part of investment properties.

### ***Bearer plants***

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

### **Investments**

The Group classifies its investments into the following measurement categories:

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

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

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

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

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

Limited partnership investment funds, which are structured in the form of limited partnerships for the purpose of managing investments for the benefit of its investors, are measured at fair value with fair value gains and losses recognised in profit and loss. Distributions from these investment funds are recognised in profit and loss when the right to receive payments is established.

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

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

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

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investments.

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

### **Properties for sale**

Properties for sale, which comprise land and buildings held for resale, are stated at the lower of cost and net realisable value. A portion of the properties for sale is leased out prior to sales to enhance shareholder profitability. These leased properties are classified and accounted for as properties for sale. The cost of properties for sale comprises land costs, construction and other development costs, and borrowing costs.

### **Stocks and work in progress**

Stocks, which principally comprise goods held for resale, are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method, specific identification method and weighted average method. The cost of finished goods and work in progress comprises raw materials, labour and an appropriate proportion of overheads.

### **Debtors**

Financing and trade debtors are recognised initially at the amount of consideration that is unconditional and measured subsequently at amortised cost using the effective interest method. Finance lease receivables are shown as the finance lease receivables plus the guaranteed residual values at the end of the lease period, net of unearned finance lease income, security deposits and provision for doubtful receivables. A contract asset arises if the Group has a right to consideration in exchange for goods or services the Group has transferred to a customer, that is conditional on something other than the passage of time. Repossessed collateral of finance companies are measured at the lower of the carrying amount of the debtors in default and fair value less costs to sell. All other debtors, excluding derivative financial instruments, are measured at amortised cost except where the effect of discounting would be immaterial. The Group assesses on a forward-looking basis using the three stages expected credit losses model on potential losses associated with its consumer financing debtors and financing lease receivables. The impairment measurement is subject to whether there has been a significant increase in credit risk. For trade debtors and contract assets, the Group applied the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the debtors. Provision for impairment is established by considering potential financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in arriving at operating profit. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited to profit and loss.

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

### **Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise deposits at call with banks and financial institutions, bank and cash balances, and other liquid investments, with original maturities of three months or less, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current borrowings. Restricted cash and bank balances that are not available for use within three months from the balance sheet date are excluded from cash and cash equivalents. If such balances are restricted in use for a period exceeding one year, they are classified as part of other debtors.

Liquid investments, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, are included in cash and bank balances and are stated at market value. Increases or decreases in market value are recognised in profit and loss.

### **Provisions**

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligations can be made.

### **Borrowings and borrowing costs**

Borrowings are initially recognised at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method.

On the issue of bonds which are convertible into a fixed number of ordinary shares of the issuing entity, the fair value of the liability portion is determined using a market interest rate for an equivalent non-convertible bond; this amount is included in long-term borrowings on the amortised cost basis until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option which is recognised and included in shareholders' funds. On the issue of convertible bonds which are not convertible into the issuing entity's own shares or which are not convertible into a fixed number of ordinary shares of the issuing entity, the fair value of the conversion option component is determined and included in current liabilities, and the residual amount is allocated to the carrying amount of the bond. Any conversion option component included in current liabilities is shown at fair value with changes in fair value recognised in profit and loss.

Borrowing costs relating to major development projects are capitalised until the asset is substantially completed. Capitalised borrowing costs are included as part of the cost of the asset. All other borrowing costs are expensed as incurred.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the balance sheet date.

### **Current and deferred tax**

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

### **Employee benefits**

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held in trustee administered funds.

Pension accounting costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the costs of providing pensions are charged to profit and loss spreading the regular cost over the service period in which employees accrue benefits, in accordance with the advice of qualified actuaries, who carry out a full valuation of major plans every year. Plan assets are measured at fair value.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the year in which they occur.

Past service costs are recognised immediately in profit and loss.

The Group's total contributions relating to the defined contribution plans are charged to profit and loss in the year to which they relate.

### **Assets held for sale**

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are expected to be recovered principally through a sale transaction rather than through continuing use. Once classified as held for sale, non-current assets subjected to amortisation or depreciation are no longer amortised or depreciated, and associates and joint ventures cease application of the equity method of accounting.

### **Derivative financial instruments**

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

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

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

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that are highly effective, are recognised in other comprehensive income and accumulated in equity under hedging reserves. Changes in the fair value relating to the ineffective portion is recognised immediately in profit and loss. Where the hedged item results in the recognition of a non-financial asset or of a non-financial liability, the deferred gains and losses are included in the initial measurement of the cost of the asset or liability. The deferred amounts are ultimately recognised in profit and loss as the hedged item affects profit and loss. Otherwise, amounts deferred in hedging reserves are transferred to profit and loss in the same periods during which the hedged firm commitment or forecasted transaction affects profit and loss. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit and loss within finance cost at the same time as the interest expense on the hedged borrowings. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in hedging reserves at that time remains in the hedging reserves and is recognised when the committed or forecasted transaction ultimately is recognised in profit and loss. When a committed or forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserves is immediately transferred to profit and loss.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IFRS 9. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IFRS 9 are recognised immediately in profit and loss.

Hedges of net investments in foreign entities are accounted for on a similar basis to that used for cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in exchange reserves; the gain or loss relating to the ineffective portion is recognised immediately in profit and loss.

The fair value of derivatives which are designated and qualify as effective hedges are classified as non-current assets or liabilities if the remaining maturities of the hedged assets or liabilities are greater than 12 months after the balance sheet date.

### ***Insurance contracts***

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts.

On initial recognition, insurance contracts are measured as the total of (a) the fulfilment cash flows (FCF), adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the contractual service margin (CSM). The FCF are the current estimates of the future cash flows within the contract boundary that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. The CSM is a component of the carrying amount of the insurance contract asset or liability representing the unearned profit that the Group will recognise as it provides insurance contract services in the future. Subsequently, the carrying amount at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the FCF that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the FCF for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

### **Offsetting financial instruments**

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

### **Non-trading items**

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

### **Earnings per share**

Basic earnings per share are calculated on profit attributable to shareholders and on the weighted average number of shares in issue during the year. The weighted average number excludes the Company's share of the shares held by subsidiaries. For the purpose of calculating diluted earnings per share, profit attributable to shareholders is adjusted for the effects of the conversion of dilutive potential ordinary shares of subsidiaries, associates or joint ventures, and the weighted average number of shares is adjusted for the number of shares which are deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes based on the average share price during the year.

### **Dividends**

Dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date.

The nominal amount of the ordinary shares issued as a result of election for scrip is capitalised out of the share premium account or other reserves, as appropriate.

### **Revenue recognition**

#### **(i) Property**

##### ***Properties for sale***

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

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

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

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

##### ***Investment properties***

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

**(ii) Motor vehicles**

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

**(iii) Retail and restaurants**

Revenue from retail includes sales from the supermarket and hypermarkets, health and beauty stores, and home furnishing stores. Revenue consists of the fair value of goods sold to customers, net of returns, discounts and sales related taxes. Sale of goods is recognised at the point of sale, when the control of the asset is transferred to the customers, and is recorded at the net amount received from customers.

Revenue from restaurants comprises the sale of food and beverages and is recognised at the point when the Group sells the food and beverages to the customer and payment is due immediately when the customer purchases the food and beverages.

**(iv) Financial services**

Revenue from consumer financing and finance leases is recognised over the term of the respective contracts based on a constant rate of return on the net investment, using the effective interest method. Revenue from insurance contracts recognised in the period represents the transfer of services provided at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services. For insurance contracts not measured under the premium allocation approach, the Group reduces the liability for remaining coverage and recognises insurance revenue for the services provided.

**(v) Engineering, heavy equipment, mining, construction and energy***Engineering*

Revenue from engineering, including supplying, installing and servicing engineering equipment is recognised over time based on the enforceable right to payment for the performance completed to date and using the output method on the basis of direct measurements of the value to customer of the Group's performance to date, as evidenced by the certification by qualified architects and/or surveyors. When there is more than one single performance obligation under a contract or any contract modification creates a separate performance obligation, the revenue will be allocated to each performance obligation based on their relative stand-alone selling prices. Payments received in advance from customers but there are unfulfilled obligations, are recognised as contract liabilities.

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

*Heavy equipment*

Revenue from heavy equipment includes sale of heavy equipment and rendering of maintenance services. In instances where the contracts with customers include multiple deliverables, the separate performance obligations are identified and generally referred as sale of heavy equipment and rendering of maintenance services. The transaction price, which is represented by the consideration fixed in the contract and net of discounts if any, is then allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from the sale of heavy equipment is recognised when control of the heavy equipment is transferred to the customer, which generally coincides with the point of delivery. Payments from customers for maintenance services are received in advance and recognised as a contract liability. Revenue from the maintenance services is recognised when customer has received and consumed benefit from the services.

*Mining*

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

### *Construction*

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

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

### (vi) Hotels

Revenue from hotel ownership comprises amounts earned in respect of rental of rooms, food and beverage sales, and other ancillary services and goods supplied by the subsidiary hotels. Revenue is recognised over the period when rooms are occupied or services are performed. Revenue from the sale of food and beverages and goods is recognised at the point of sale when the food and beverages and goods are delivered to customers. Payment is due immediately when the hotel guest occupies the room and receives the services and goods.

Revenue from hotel and residences branding and management comprises gross fees earned from the branding and management of all the hotels and residences operated by the Group. Branding and management fees are recognised over time as determined by the relevant contract, taking into account the performance of the hotels, and the sales and operating expenses of the residences. Fees charged to the subsidiary hotels are eliminated upon consolidation. Hotels and residences are invoiced in accordance with the terms of contract and fees are payable when invoiced.

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## **42 Standards and amendments issued but not yet effective**

A number of amendments effective for accounting periods beginning after 2024 have been published and will be adopted by the Group from their effective dates. The Group is currently assessing the potential impact of these standards and amendments but expects their adoption will not have a significant impact on the Group's consolidated financial statements. The more important standard and amendments that are relevant to the Group are set out below.

### *Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2026)*

These amendments clarify (i) the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (ii) further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion; (iii) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and (iv) update the disclosures for equity instruments designated at fair value through other comprehensive income. The Group is assessing the impact on the Group's consolidated financial statements.

### *IFRS 18 Presentation and Disclosure in Financial Statements (effective from 1 January 2027)*

The standard requires new presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit and loss. The key new concepts introduced in IFRS 18 relate to (i) the structure of the statement of profit and loss with defined subtotals; (ii) requirement to determine the most useful structure summary for presenting expenses in the statement of profit and loss; (iii) required disclosures in a single note within the financial statements for certain profit and loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iv) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Group is assessing the changes on presentation and disclosure required in the Group's consolidated financial statements.

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## 43 Financial risk management

### *Financial risk factors*

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

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

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

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

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

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

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to:

- (i) The credit value/debit value adjustment on the interest rate swaps which is not matched by the loan; and
- (ii) Differences in critical terms between the interest rate swaps and loans.

The ineffectiveness during 2024 and 2023 in relation to interest rate swaps was not material.

### (i) Market risk

#### *Foreign exchange risk*

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

Entities in the Group use cross-currency swaps, forward foreign exchange contracts and foreign currency options in a consistent manner to hedge firm and anticipated foreign exchange commitments and manage their foreign exchange risk arising from future commercial transactions. The Group does not usually hedge its net investments in foreign operations except in circumstances where there is a material exposure arising from a currency that is anticipated to be volatile and the hedging is cost effective. Group entities are required to manage their foreign exchange risk against their functional currency. Foreign currency borrowings are swapped into

the entity's functional currency using cross-currency swaps except where the foreign currency borrowings are repaid with cash flows generated in the same foreign currency. The purpose of these hedges is to mitigate the impact of movements in foreign exchange rates on assets and liabilities and the profit and loss account of the Group.

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. At 31 December 2024, the Group's Indonesian rupiah functional entities had United States dollar denominated net monetary liabilities of US\$181 million (2023: US\$391 million). At 31 December 2024, if the United States dollar had strengthened/weakened by 10% against the Indonesian rupiah with all other variables unchanged, the Group's profit after tax would have been US\$14 million lower/higher (2023: US\$30 million lower/higher), arising from foreign exchange losses/gains taken on translation. The impact on amounts attributable to the shareholders of the Company would be US\$5 million lower/higher (2023: US\$13 million lower/higher). This sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date. The stated change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. There are no other significant monetary balances held by Group companies at 31 December 2024 that are denominated in a non-functional currency. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

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

#### *Interest rate risk*

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of derivative financial instruments such as interest rate swaps, caps and collars. The Group monitors interest rate exposure on a monthly basis by currency and business unit, taking into consideration proposed financing and hedging arrangements. The Group's guideline is to maintain 40% to 60% of its gross borrowings, exclusive of the financial services companies, in fixed rate instruments. At 31 December 2024, the Group's interest rate hedge exclusive of the financial services companies was 57% (2023: 55%), with an average tenor of six years (2023: six years). The financial services companies borrow predominately at a fixed rate. The interest rate profile of the Group's borrowings after taking into account hedging transactions are set out in note 29.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages this risk by entering into interest rate swaps, caps and collars for a maturity of up to 5 years. Interest rate swaps have the economic effect of converting borrowings from floating rate to fixed rate, caps provide protection against a rise in floating rates above a pre-determined rate, whilst collars combine the purchase of a cap and the sale of a floor to specify a range in which an interest rate will fluctuate. Details of interest rate swaps and cross currency swaps are set out in note 34.

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

At 31 December 2024, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's profit after tax would have been US\$4 million (2023: US\$4 million) higher/lower, and hedging reserves would have been US\$93 million (2023: US\$124 million) higher/lower as a result of fair value changes to cash flow hedges. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. There is no significant sensitivity resulting from interest rate caps and collars. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in those interest rates which have the most impact on the Group, specifically the United States, Hong Kong and Indonesian rates, over the period until the next annual balance sheet date. In the case of effective fair value hedges, changes in the fair value of the hedged items caused by interest rate movements balance out in the profit and loss account against changes in the fair value of the hedging instruments. Changes in market interest rates affect the

interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of profit after tax sensitivities. Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserves and are therefore taken into consideration in the equity related sensitivity calculations.

#### *Price risk*

The Group is exposed to securities price risk because of its equity investments and limited partnership investment funds (LP investment funds) which are measured at fair value through profit and loss, and debt investments which are measured at fair value through other comprehensive income. Gains and losses arising from changes in the fair value of these investments are recognised in profit and loss or other comprehensive income according to their classification. The performance of these investments are monitored regularly, together with an assessment of their relevance to the Group's long-term strategic plans. Details of these investments are contained in note 16.

The Group's interest in these investments is unhedged. At 31 December 2024, if the price of these investments had been 25% higher/lower with all other variables held constant, total equity would have been US\$859 million (2023: US\$846 million) higher/lower, of which US\$355 million (2023: US\$437 million) relating to equity investments would be reflected in operating profit as non-trading items. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

The Group is exposed to financial risks arising from changes in commodity prices, primarily coal, gold, steel rebar and copper. The Group considers the outlook for these commodities prices regularly in considering the need for active financial risk management. The Group's policy is generally not to hedge commodity price risk, although limited hedging may be undertaken for strategic reasons. In such cases the Group uses forward contracts and foreign currency options to hedge the price risk. To mitigate or hedge the price risk, Group entities may enter into a forward contract and foreign currency options to buy the commodity at a fixed price at a future date, or a forward contract to sell the commodity at a fixed price or pre-determined range of prices at a future date.

#### (ii) Credit risk

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

The Group manages its deposits with banks and financial institutions and transactions involving derivative financial instruments by monitoring credit ratings and capital adequacy ratios of counterparties, and limiting the aggregate risk to any individual counterparty. The utilisation of credit limits is regularly monitored. Similarly transactions involving derivative financial instruments are with banks with sound credit ratings and capital adequacy ratios. In developing countries it may be necessary to deposit money with banks that have a lower credit rating, however the Group only enters into derivative transactions with counterparties which have credit ratings of at least investment grade. Management does not expect any counterparty to fail to meet its obligations.

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

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

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance.

## (iii) Liquidity risk

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

At 31 December 2024, total available borrowing facilities amounted to US\$27.6 billion (2023: US\$29.4 billion) of which US\$15.9 billion (2023: US\$16.6 billion) was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities, and undrawn uncommitted facilities totalled US\$7.3 billion (2023: US\$9.0 billion) and US\$4.4 billion (2023: US\$3.8 billion), respectively.

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

|   | Within<br>one<br>year<br>US\$m | Between<br>one and<br>two years<br>US\$m | Between<br>two and<br>three years<br>US\$m | Between<br>three and<br>four years<br>US\$m | Between<br>four and<br>five years<br>US\$m | Beyond<br>five<br>years<br>US\$m | Total<br>undiscounted<br>cash flows<br>US\$m |
|---|--------------------------------|--|--|---|--|----------------------------------|--|
| <b>At 31 December 2024</b>                        |                                |  |  |   |  |                                  |  |
| Borrowings  | 5,408                          | 3,016                                    | 3,088                                      | 1,023                                       | 672  | 4,929                            | <b>18,136</b>                                |
| Lease liabilities                                 | 869                            | 685                                      | 524  | 420   | 334  | 1,200                            | <b>4,032</b>                                 |
| Creditors   | 7,703                          | 902                                      | 43   | 24  | 13   | 182                              | <b>8,867</b>                                 |
| Gross settled derivative<br>financial instruments |                                |  |  |   |  |                                  |  |
| – inflow  | 2,934                          | 343                                      | 113  | 52  | 50   | 1,598                            | <b>5,090</b>                                 |
| – outflow   | 2,290                          | 334                                      | 113  | 53  | 50   | 1,599                            | <b>4,439</b>                                 |
| <b>At 31 December 2023</b>                        |                                |  |  |   |  |                                  |  |
| Borrowings  | 6,098                          | 3,994                                    | 2,510                                      | 645   | 639  | 5,259                            | 19,145                                       |
| Lease liabilities                                 | 884                            | 710                                      | 531  | 421   | 373  | 1,378                            | 4,297  |
| Creditors   | 8,274                          | 915                                      | 34   | 23  | 16   | 48                               | 9,310  |
| Gross settled derivative<br>financial instruments |                                |  |  |   |  |                                  |  |
| – inflow  | 1,447                          | 992                                      | 266  | 52  | 50   | 1,648                            | 4,455  |
| – outflow   | 1,419                          | 983                                      | 267  | 53  | 50   | 1,639                            | 4,411  |

### Capital management

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

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

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

The ratios at 31 December 2024 and 2023 are as follows:

|  | 2024 | 2023 |
|--|------|------|
| Gearing ratio exclusive of financial services companies (%)      | 14   | 15   |
| Gearing ratio inclusive of financial services companies (%)      | 21   | 21   |
| Interest cover exclusive of financial services companies (times) | 11   | 12   |
| Interest cover inclusive of financial services companies (times) | 13   | 14   |

### Fair value estimation

(i) Financial instruments that are measured at fair value

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

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (quoted prices in active markets/Level 1)

The fair values of listed securities and bonds are based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.

(b) Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly (observable current market transactions/Level 2)

The fair values of derivative financial instruments, excluding the forward contract relating to the divestment of an associate, are determined using rates quoted by the Group's bankers at the balance sheet date. The rates for interest rate swaps and caps, cross-currency swaps and forward foreign exchange contracts are calculated by reference to market interest rates and foreign exchange rates.

The fair value of derivative financial instrument of the forward contract relating to the divestment of an associate is determined using the quoted price in active market at the balance sheet date, adjusted for the time value of money and other factors.

The fair values of unlisted investments mainly include club and school debentures, are determined using prices quoted by brokers at the balance sheet date.

(c) Inputs for assets or liabilities that are not based on observable market data (unobservable inputs/Level 3)

The fair values of other unlisted equity and debt investments, and limited partnership investment funds are determined using valuation techniques by reference to observable current market transactions (including price-to earnings and price-to book ratios of listed securities of entities engaged in similar industries) or the market prices of the underlying investments with certain degree of entity specific estimates or discounted cash flow by projecting the cash inflows from these investments.

There were no changes in valuation techniques during the year.

The table below analyses financial instruments carried at fair value, by the levels in the fair value measurement hierarchy:

|  | Quoted<br>prices in active<br>markets<br>US\$m | Observable<br>current market<br>transactions<br>US\$m | Unobservable<br>inputs<br>US\$m | Total<br>US\$m |
|--|--|---|---------------------------------|----------------|
| <b>2024</b>                                    |  |   |                                 |                |
| <b>Assets</b>                                  |  |   |                                 |                |
| Other investments                              |  |   |                                 |                |
| – equity investments                           | 1,420  | 54  | 192                             | 1,666          |
| – debt investments                             | 984  | –   | 399                             | 1,383          |
| – limited partnership investment funds         | –  | –   | 388                             | 388            |
|  | 2,404  | 54  | 979                             | 3,437          |
| Derivative financial instruments at fair value |  |   |                                 |                |
| – through other comprehensive income           | –  | 51  | –                               | 51             |
| – through profit and loss                      | –  | 8   | –                               | 8              |
|  | 2,404  | 113   | 979                             | 3,496          |
| <b>Liabilities</b>                             |  |   |                                 |                |
| Contingent consideration payable               | –  | –   | (17)                            | (17)           |
| Derivative financial instruments at fair value |  |   |                                 |                |
| – through other comprehensive income           | –  | (72)  | –                               | (72)           |
| – through profit and loss                      | –  | (1,051)   | –                               | (1,051)        |
|  | –  | (1,123)   | (17)                            | (1,140)        |
| <b>2023</b>                                    |  |   |                                 |                |
| <b>Assets</b>                                  |  |   |                                 |                |
| Other investments                              |  |   |                                 |                |
| – equity investments                           | 1,495  | 56  | 199                             | 1,750          |
| – debt investments                             | 916  | –   | 418                             | 1,334          |
| – limited partnership investment funds         | –  | –   | 300                             | 300            |
|  | 2,411  | 56  | 917                             | 3,384          |
| Derivative financial instruments at fair value |  |   |                                 |                |
| – through other comprehensive income           | –  | 71  | –                               | 71             |
| – through profit and loss                      | –  | 2   | –                               | 2              |
|  | 2,411  | 129   | 917                             | 3,457          |
| <b>Liabilities</b>                             |  |   |                                 |                |
| Contingent consideration payable               | –  | –   | (11)                            | (11)           |
| Derivative financial instruments at fair value |  |   |                                 |                |
| – through other comprehensive income           | –  | (70)  | –                               | (70)           |
|  | –  | (70)  | (11)                            | (81)           |

Movement of unlisted equity and debt investments, and limited partnership investment funds, which are valued based on unobservable inputs during the year ended 31 December are as follows:

|  | <b>2024</b> | 2023  |
|--|-------------|-------|
|  | US\$m       | US\$m |
| At 1 January   | <b>917</b>  | 518   |
| Exchange differences   | <b>(20)</b> | 18    |
| Additions  | <b>86</b>   | 398   |
| Disposals  | –           | (4)   |
| Reclassification of other investments to associates and joint ventures | –           | (35)  |
| Net change in fair value during the year included in profit and loss   | <b>(4)</b>  | 22    |
| At 31 December   | <b>979</b>  | 917   |

There were no transfers among the three categories during the years ended 31 December 2024 and 2023.

(ii) Financial instruments that are not measured at fair value

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

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

**Financial instruments by category**

The fair values of financial assets and financial liabilities, together with carrying amounts at 31 December 2024 and 2023 are as follows:

|   | Fair value<br>of hedging<br>instruments | Fair value<br>through profit<br>and loss | Fair value<br>through other<br>comprehensive<br>income | Financial<br>assets at<br>amortised<br>costs | Other<br>financial<br>liabilities | Total<br>carrying<br>amount | Fair value      |
|---|---|--|--|--|-----------------------------------|-----------------------------|-----------------|
|   | US\$m                                   | US\$m                                    | US\$m  | US\$m  | US\$m                             | US\$m                       | US\$m           |
| <b>2024</b>   |   |  |  |  |                                   |                             |                 |
| <b>Financial assets</b>                                     |   |  |  |  |                                   |                             |                 |
| <b>measured at fair value</b>                               |   |  |  |  |                                   |                             |                 |
| Other investments   |   |  |  |  |                                   |                             |                 |
| – equity investments  | –                                       | 1,666                                    | –  | –  | –                                 | 1,666                       | 1,666           |
| – debt investments  | –                                       | 399                                      | 984  | –  | –                                 | 1,383                       | 1,383           |
| – limited partnership investment funds                      | –                                       | 388                                      | –  | –  | –                                 | 388                         | 388             |
| Derivative financial instruments                            | 59                                      | –  | –  | –  | –                                 | 59                          | 59              |
|   | <b>59</b>                               | <b>2,453</b>                             | <b>984</b>   | <b>–</b>                                     | <b>–</b>                          | <b>3,496</b>                | <b>3,496</b>    |
| <b>Financial assets not measured at fair value</b>          |   |  |  |  |                                   |                             |                 |
| Amounts due from associates                                 | –                                       | –  | –  | 435  | –                                 | 435                         | 435             |
| Amounts due from joint ventures                             | –                                       | –  | –  | 1,574  | –                                 | 1,574                       | 1,574           |
| Debtors   | –                                       | –  | –  | 9,148  | –                                 | 9,148                       | 8,653           |
| Bank balances   | –                                       | –  | –  | 4,847  | –                                 | 4,847                       | 4,847           |
|   | <b>–</b>                                | <b>–</b>                                 | <b>–</b>   | <b>16,004</b>                                | <b>–</b>                          | <b>16,004</b>               | <b>15,509</b>   |
| <b>Financial liabilities measured at fair value</b>         |   |  |  |  |                                   |                             |                 |
| Derivative financial instruments                            | (1,123)                                 | –  | –  | –  | –                                 | (1,123)                     | (1,123)         |
| Contingent consideration payable                            | –                                       | (17)                                     | –  | –  | –                                 | (17)                        | (17)            |
|   | <b>(1,123)</b>                          | <b>(17)</b>                              | <b>–</b>   | <b>–</b>                                     | <b>–</b>                          | <b>(1,140)</b>              | <b>(1,140)</b>  |
| <b>Financial liabilities not measured at fair value</b>     |   |  |  |  |                                   |                             |                 |
| Borrowings  | –                                       | –  | –  | –  | (15,888)                          | (15,888)                    | (15,440)        |
| Lease liabilities   | –                                       | –  | –  | –  | (3,514)                           | (3,514)                     | (3,514)         |
| Trade and other payable excluding non-financial liabilities | –                                       | –  | –  | –  | (8,850)                           | (8,850)                     | (8,850)         |
|   | <b>–</b>                                | <b>–</b>                                 | <b>–</b>   | <b>–</b>                                     | <b>(28,252)</b>                   | <b>(28,252)</b>             | <b>(27,804)</b> |

|   | Fair value<br>of hedging<br>instruments<br>US\$m | Fair value<br>through profit<br>and loss<br>US\$m | Fair value<br>through other<br>comprehensive<br>income<br>US\$m | Financial<br>assets at<br>amortised<br>costs<br>US\$m | Other<br>financial<br>liabilities<br>US\$m | Total<br>carrying<br>amount<br>US\$m | Fair value<br>US\$m |
|---|--|---|---|---|--|--------------------------------------|---------------------|
| <b>2023</b>   |  |   |   |   |  |                                      |                     |
| <i>Financial assets</i>                                     |  |   |   |   |  |                                      |                     |
| <i>measured at fair value</i>                               |  |   |   |   |  |                                      |                     |
| Other investments   |  |   |   |   |  |                                      |                     |
| – equity investments  | –  | 1,750   | –   | –   | –  | 1,750                                | 1,750               |
| – debt investments  | –  | 418   | 916   | –   | –  | 1,334                                | 1,334               |
| – limited partnership investment funds                      | –  | 300   | –   | –   | –  | 300                                  | 300                 |
| Derivative financial instruments                            | 73   | –   | –   | –   | –  | 73                                   | 73                  |
|   | 73   | 2,468   | 916   | –   | –  | 3,457                                | 3,457               |
| <i>Financial assets not measured at fair value</i>          |  |   |   |   |  |                                      |                     |
| Amounts due from associates                                 | –  | –   | –   | 466   | –  | 466                                  | 466                 |
| Amounts due from joint ventures                             | –  | –   | –   | 1,923   | –  | 1,923                                | 1,923               |
| Debtors   | –  | –   | –   | 8,668   | –  | 8,668                                | 8,128               |
| Bank balances   | –  | –   | –   | 4,880   | –  | 4,880                                | 4,880               |
|   | –  | –   | –   | 15,937  | –  | 15,937                               | 15,397              |
| <i>Financial liabilities measured at fair value</i>         |  |   |   |   |  |                                      |                     |
| Derivative financial instruments                            | (70)   | –   | –   | –   | –  | (70)                                 | (70)                |
| Contingent consideration payable                            | –  | (11)  | –   | –   | –  | (11)                                 | (11)                |
|   | (70)   | (11)  | –   | –   | –  | (81)                                 | (81)                |
| <i>Financial liabilities not measured at fair value</i>     |  |   |   |   |  |                                      |                     |
| Borrowings  | –  | –   | –   | –   | (16,646)                                   | (16,646)                             | (16,195)            |
| Lease liabilities   | –  | –   | –   | –   | (3,720)                                    | (3,720)                              | (3,720)             |
| Trade and other payable excluding non-financial liabilities | –  | –   | –   | –   | (9,299)                                    | (9,299)                              | (9,299)             |
|   | –  | –   | –   | –   | (29,665)                                   | (29,665)                             | (29,214)            |

## 44 Critical accounting estimates and judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable according to circumstances and conditions available. The existing and potential impacts arising from climate change has been considered when applying estimates and assumptions in the preparation of the financial statements, including the Group's assessment of impairment of assets and the independent valuers' valuation of the Group's investment properties.

The estimates and assumptions that have a significant effect on the reported amounts of assets and liabilities, and income and expenses are discussed below.

### **Significant areas of estimation uncertainty**

#### *Acquisition of subsidiaries, associates and joint ventures*

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

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

#### *Investment properties*

The fair values of completed commercial investment properties, which are held by Hongkong Land, are determined by independent valuers on an open market for existing-use basis calculated on the discounted net income allowing for reversionary potential. For these investment properties in Hong Kong, the Chinese mainland and Singapore, capitalisation rates in the range of 2.90% to 3.50% for office (2023: 2.90% to 3.50%) and 3.50% to 5.00% for retail (2023: 3.75% to 5.00%) are used by Hongkong Land in the fair value determination.

The fair value of the under development commercial property in Hong Kong, which are held by Mandarin Oriental, is determined by independent valuers on an open market basis using the residual method. The residual method is also based on assumptions about the estimated costs to complete the development, the developer's estimated profit and margin for risk, prevailing market rent and capitalisation rates in the range of 2.55% to 3.95% (2023: 2.55% to 3.95%).

Consideration has been given to assumptions that are mainly based on market conditions existing at the balance sheet date and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

The independent valuers have considered climate change, sustainability, resilience and environmental, social and governance (ESG) within their valuations. Properties held by the Group are considered to currently display ESG characteristics that would be expected in the market, and therefore there were no direct and tangible pricing adjustments required to the valuation of investment properties. The Group will monitor these considerations for each reporting period.

#### *Properties for sale*

The Group assesses the carrying amounts of properties for sale held by both subsidiaries, associates and joint ventures according to their estimated net realisable value, taking into account construction costs to complete based on the existing development plans, and an estimation of future selling prices based on properties of comparable locations and conditions. Write-downs are made when events or changes in circumstances indicate that the carrying amounts may not be realised.

Given market significant volatility in the Chinese mainland property market, the Group considers that selling price is a significant estimate in determining the net realisable value of certain properties for sale.

*Impairment of assets*

The Group tests annually whether goodwill and other assets that have indefinite useful lives suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is determined based on the higher of its fair value less costs to sell and its value-in-use, calculated on the basis of management's assumptions and estimates. Changing the key assumptions, including the amount of estimated coal and gold reserves, the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the value-in-use calculations. The results of the impairment reviews undertaken at 31 December 2024 on the Group's goodwill were included in note 10.

The results of the impairment reviews undertaken at 31 December 2024 on the Group's indefinite life franchise rights indicated that no impairment charge was necessary. If there is a significant increase in the discount rate and/or a significant adverse change in the projected performance of the business to which these rights attach, it may be necessary to take an impairment charge to profit and loss in the future.

*Pension obligations*

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

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

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

**Significant areas of judgement***Impairment of financial assets*

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the balance sheet date (*refer note 17*).

*Income taxes*

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for worldwide income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Provision for deferred tax follows the way management expects to recover or settle the carrying amount of the related assets or liabilities, which the management may expect to recover through use, sale or combination of both. Accordingly, deferred tax will be calculated at income tax rate, capital gains tax rate or combination of both. There is a rebuttable presumption in International Financial Reporting Standards that investment properties measured at fair value are recovered through sale. Thus, deferred tax on revaluation of investment properties held by the Group are calculated at the capital gain tax rate.

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

### *Leases*

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

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

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

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

### *Assets held for sale/liabilities associated with assets held for sale*

Assets are classified as held for sale if their carrying amounts are expected to be recovered principally through a sale transaction rather than through continuing use. Liabilities directly associated with those assets and will be transferred in a single sale transaction are classified as liabilities associated with assets held for sale. These assets are measured at the lower of carrying amounts and fair values less costs to sell. The Group considers all relevant factors in determining how the carrying amounts of the assets will be recovered and the liabilities will be extinguished, and only reclassifies the assets and liabilities to held for sale when the sale is highly probable.

### *Revenue recognition*

The Group uses the percentage of completion method to account for its contract revenue of certain development properties sales. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and the work of specialists.

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

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

### *Non-trading items*

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